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International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

London, Tuesday, October 14, 1997

No. 35,651

A SPECIAL REPORT

TODAY: STYLE The New Dior, Page 11

Banner Day for Europe Inc.'s Merger Madness

By Tom Buerkle
International Herald Tribune

LONDON — Whether it is banks and insurance companies teaming up to benefit from European monetary union or other companies building bulk to take on global competitors, Europe Inc. is on a record buying spree that promises to strengthen the competitiveness of the bloc's corporate giants.

A slew of Europe's leading corporations announced plans or offers on Monday for five mega-mergers worth a combined total of more than $40 billion, while LVMH of France agreed to allow Guinness and Grand Metropolitan to carry out their proposed £23 billion ($37.3 billion) merger in return for a £500 million payoff. (Page 13)

The unprecedented volume of corporate dealing on a single day owed partly to coincidence, but the factors driving the activity are likely to sustain the record-setting boom in European mergers in the months ahead, investment bankers and corporate executives said. Mergers were running at an annual rate of $280 billion in the first half of this year, up from last year's record $265 billion, and the latest spree should ensure that 1997 sets another record.

Increasing global competition has combined with regulatory and technological developments to put a tremendous premium on sheer corporate scale in a wide range of industries, bankers and executives said. Provided they maintain a sharp industrial focus, big companies have the wherewithal to penetrate new markets and invest in new technology while enjoying economies of scale.

"In electronic publishing, scale counts for more than in the physical world," said Nigel Stapleton, chief executive of Reed Elsevier PLC, explaining why the Anglo-Dutch publisher had agreed to merge with its longtime Dutch rival, Wolters Kluwer NV. "It's the big content providers with branded products that can drive on the superhighway."

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Blair Shakes Hand Of Sinn Fein Chief

Protestants Jostle U.K. Leader, Who Meets Parties in Belfast

Compiled by Our Staff From Dispatches

BELFAST — Tony Blair shook hands with the Sinn Fein president, Gerry Adams, on Monday in the first meeting for more than 70 years between a British prime minister and an Irish republican leader.

The meeting with the head of Sinn Fein, the Irish Republican Army's political wing, drew fierce criticism from Northern Irish Protestant leaders and spilled over into angry jostling when Mr. Blair walked through the streets of Belfast.

Mr. Blair also met leaders of seven other parties involved in peace talks on the future of Northern Ireland. He emerged from the province's former Parliament building at Stormont in east Belfast later to defend his decision to meet Mr. Adams.

"We can continue with the hatred and the despair and the killing, treating people as if they were not parts of humanity or we can try and settle our differences by negotiation, by discussion, by debate," Mr. Blair said.

"So, that's what's important, whether it's with Gerry Adams or with the loyalist people I met or with anyone else," he said. The "loyalists" are pro-British Protestants.

Mr. Blair said he "treated Gerry Adams and the members of Sinn Fein in the same way that I treat any human being."

"What is important in the situation here in Northern Ireland is that we do treat each other as human beings," he added.

The last British prime minister to shake hands with an Irish republican leader was David Lloyd George when he met with Eamon de Valera and Michael Collins for negotiations with Sinn Fein in 1921 that led to the partition of Ireland.

Mr. Blair, in Northern Ireland for a one-day visit, shook Mr. Adams's hand during a series of brief individual meetings with leaders of the parties taking part in the talks.

Sinn Fein was granted entry to the talks for the first time last Tuesday because the IRA had called a cease-fire.

A crowd of about 100 angry Protestants yelling "Traitor!" booed and jostled Mr. Blair as he tried to tour the predominantly Protestant Newtownards Road district.

Bodyguards hurried Mr. Blair inside a bank, but the crowd gathered outside and as the prime minister emerged, followed still shouting.

Some donned rubber gloves and waved their hands at Mr. Blair, taunting him for shaking hands with Mr. Adams.

"You are contaminated, I'll not shake hands with you!" a woman screamed. Others shouted: "Sinn Fein lover, your hands are covered in blood!"

British officials said Mr. Blair had told Sinn Fein leaders that they and other parties to the talks had a once-in-a-lifetime chance to shape history.

See BLAIR, Page 10

Neo-Communists In Italy Misread National Mood

Public's Commitment to EU Forces Party to Retreat and Seek Compromise With Prodi

By Celestine Bohlen
New York Times Service

ROME — It was only few days ago that Italy's small Refounded Communist Party — one of the last fortresses of unreconstructed Marxism in Europe — brought about the collapse of Prime Minister Romano Prodi's center-left government, arguing that its tight-fisted pro-Europe policies were a betrayal of the working classes and a sop to globalized capitalism.

On Monday, the same hard-line Communists were beating a sheepish retreat, reopening talks that by midweek will probably restore Mr. Prodi to power and leave his 1998 budget intact. The only concession expected is a pledge to follow the example of France's Socialist government and explore legislation reducing the legal working week to 35 hours from 39 hours.

What then was this crisis all about? It is not a question likely to unduly perplex Italians who after 55

NEWS ANALYSIS

governments in five decades are used to the mini-dramas built into their political system. But still this time, many people were upset at the prospect of losing a governing team — a coalition that ranges from liberal Catholics to former Communists — which, in the view of many analysts here and abroad, was doing a good job.

For the leaders of the Refounded Communist Party, bringing down the government was a gamble that ended up as a kamikaze mission.

Instead of being hailed as heroes in a struggle to protect Italy's generous pension and health-care systems, the party and its leaders were roundly criticized over the weekend for being obstructionist, out-dated and self-indulgent. On Sunday, its leader, Fausto Bertinotti, an artful practitioner of old-time leftist sloganeering, was booed when he joined a march for world peace in Assisi, the earthquake-stricken pilgrimage site that lies within Italy's so-called red triangle.

The same verdict was delivered in an avalanche of political commentary in Italian newspapers. "The Refounding Party made the government fall, but in so doing, it prefigured its own virtual political demise," wrote Edmondo Berselli in La Stampa, the Turin newspaper, on Sunday.

Yet even as its leaders' strategy backfired, the party still represents a constituency that cannot be ignored, not even by a bruised Mr. Prodi, a centrist who heads the first left-leaning government elected in Italy's postwar history. For the Democratic Party of the Left, the larger, more moderate wing of Italy's once mighty Communist Party that is now the backbone of Mr. Prodi's Olive Tree

See ITALY, Page 10

Breaking the Sound Barrier, Making History

The Associated Press

LIVING LEGEND — Chuck Yeager, shown here as a test pilot in 1948, plans to celebrate the *50th anniversary of his historic flight that broke the sound barrier by doing it again.* Page 3.

U.S. Gloomy on Korea Talks

New Inflexibility in Both North and South Dims Hopes

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The United States has given up virtually all hope of making progress soon in four-nation peace talks aimed at lowering military tensions on the Korean Peninsula, senior American officials say.

The diminished expectations partly reflect what the officials described as a series of unacceptable and surprisingly inflexible North Korean conditions for conducting the talks. But the administration has also grown more pessimistic, they said, because of South Korean opposition to making concessions to the North.

One top U.S. official said the slumping popularity of the governing party in South Korea has left it preoccupied with campaigning for a Dec. 18 presidential election, and paralyzed on foreign policy matters.

"The talks have gone worse than we expected," the official said, partly as a result of Seoul's reluctance to consider new steps that might lead to a breakthrough. "I remain quite pessimistic about the next 12 months on the peninsula," the official added.

The impasse has produced widespread frustration with North Korea, but also made some American officials eager to see a change of government in the South, which has been ruled since 1963 by the same political grouping. The regime in North Korean has been highly critical of President Kim Young Sam of South Korea, who in turn has repeatedly warned of possible military conflict and discouraged trade with or travel to the North.

U.S. officials have argued in private that an opposition victory in South Korea would create a new opportunity for direct dialogue and expanded ties between the North and South. But they say that even if the opposition leader Kim Dae Jung is elected and inaugurated in February, as surveys predict, three to six months may pass before he puts forward any new major policies for dealing with the North.

"We're in for a siesta," another senior U.S. official said. "Nothing will happen for a while." A temporary easing of North Korea's food shortage makes this a less worrisome prospect, the official added, because the leaders of the isolated Communist state are less desperate and somewhat less likely to engage in provocative behavior to gain attention and leverage.

The negotiations among North Korea, South Korea, the United States and China were initially proposed by President Bill Clinton and President Kim at an April 1996 summit meeting as a way to craft a permanent treaty to

See KOREA, Page 6

Agence France-Presse

Kim Hyun Chul was sentenced to three years on bribery and tax evasion charges.

President's Son Is Jailed in Seoul

By Nicholas D. Kristof
New York Times Service

TOKYO — A son of President Kim Young Sam of South Korea was sentenced to three years in prison on Monday for bribery and tax evasion, in a stunning demonstration of how South Korean democracy has come to apply the rule of law even to the nation's most powerful family.

At one level, the sight of Kim Hyun Chul, President Kim's second son, being led into court Monday in his prison uniform, a guard at each side, underscored the corruption of South Korean politics and the trades of favors and money among politicians and tycoons.

But at a broader level what was most astonishing was not that graft occurred, for most people in Seoul acknowledge that political corruption is as South Korean as *kimchi*, but rather that anyone so close to a president should actually be sentenced to prison for it.

The tradition in South Korea was for presidents to send their enemies to prison, while their family members and cronies were immune from the law.

But the spread of democracy over the last decade finally meant that public pressure this year forced prosecutors to investigate and in-

See SON, Page 6

Mobutu Is Gone, but Fighting Goes On

By James C. McKinley Jr.
New York Times Service

BUKAVU, Congo — Five months after seizing power in the former Zaire, President Laurent Kabila has yet to gain military control over the eastern province of this vast country, and his rise to power has not brought peace to Central Africa as the regional leaders who sponsored his rebellion had hoped.

From the Ruwenzori Mountains in eastern Uganda to the hilly farms of Burundi, rebels are still spreading terror, ambushing soldiers, killing innocent people and in many cases fleeing into the country again called Congo to escape retribution.

Though the situation throughout the region is chaotic, most of the fighting springs from the age-old animosity between the Tutsi and Hutu ethnic groups, as well as between the Tutsi and Bantu groups in Congo who resent what they see as the recent Tutsi hegemony.

It is the same conflict that fueled the frenzy of killing in Rwanda in 1994, set off the revolution in Congo last year and continues to feed civil war in Burundi.

"It all boils down to an ethnic conflict," said a UN official in Bukavu. "It's amazing the hatred you see here."

The continuing warfare has been a major disappointment to Congo's neighbors. Rwanda, Uganda and Burundi all supported Mr. Kabila's rebellion last year because, under the long-ruling dictator Mobutu Sese Seko, Zaire had harbored rebel groups intent on overthrowing their governments.

"We recognize the constraints Kabila is under," Defense Minister Amama Mbabazi of Uganda said in a recent interview, "and we appreciate the little he's been able to do. We still have a few problems. President Kabila has to come to grips with his situation."

In private, officials in Uganda and Rwanda say that both countries have urged Mr. Kabila to pour more military resources into the eastern region or to allow the neighboring countries' forces to do the job.

Fresh units of Rwandan troops have been seen crossing into Congo around Bukavu in the last three weeks, aid workers said.

It was Tutsi farmers who spearheaded

See CONGO, Page 10

Newsstand Prices

Bahrain	1.000 BD	Malta	55 c
Cyprus	C £ 1.00	Nigeria	12800 Naira
Denmark	14.00 DKr	Oman	1.250 OR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10 SR
Egypt	E£ 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kenya	K. Sh. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim.$90.00

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The Dollar		
New York	Monday @ 4 P.M.	previous close
DM	1.7505	1.7495
Pound	1.6245	1.6218
Yen	120.885	119.85
FF	5.875	5.8725

The Dow		
change	Monday close	previous close
+27.01	8072.22	8045.21

S&P 500		
change	Monday @ 4 P.M.	previous close
+1.12	968.10	966.98

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AGENDA

Attackers Kill 43 on Bus in Algeria

ALGIERS (AFP) — Suspected Islamic militants killed 43 bus passengers, most of them young people, after erecting a roadblock west of Algiers, according to reports here Monday.

All the victims' throats were cut in the attack early Sunday near Sig, 300 kilometers (180 miles) west of Algiers. Fifteen other people were reported to be severely wounded and were taken to a hospital in Oran. Some of the dead were decapitated, witnesses said.

The killers intercepted the two buses around midnight as they were traveling west from Algiers to Zouia, a town near the Moroccan border.

Election boycott urged, Page 10.

John Denver, Singer, Dies Piloting His Plane

John Denver, the singer and songwriter whose albums sold in the millions, died Sunday when the single-engine plane he was piloting crashed in California. Mr. Denver came to fame in the 1970s with such hits as "Rocky Mountain High" and "Take Me Home, Country Roads." Page 4.

A U.S. Governor Savors His China Roots

Locke of Washington, a Poor Immigrant's Son, Gets Hero's Welcome in Village

By Rachel Zimmerman
New York Times Service

JILONG, China — This tiny farming village had never seen such a spectacle. Hundreds of villagers rushed in from the fields. Schoolchildren lined the road to town for several kilometers, waving pompons, table tennis paddles and bouquets of artificial flowers.

They chanted, "Welcome, welcome, warmly welcome!" in English and Toishanese, the Cantonese dialect here.

Three marching bands, dancers in dragon costumes and little girls dressed as angels paraded beneath red banners heralding, "The return of Gov. Gary Locke to Home Town."

Mr. Locke, a Democrat, is the first Chinese-American governor in the United States. He won the post in Washington in 1996. Here, he is hailed as the village's first celebrity descendant.

Mr. Locke trekked to this village of 170 people in Guangdong Province, where his father and grandfather were born, searching for his roots.

He came with his wife, parents, four siblings and an army of reporters and Chinese officials.

"It's overwhelming," said Mr. Locke, who spent 11 years in the Washington Legislature and three as King County executive before his election as governor.

"In government, you never know how many people you touch and impact when you make a policy. But here, when I do nothing, they come out like this. I'm just touched that they could be so proud of us."

Scores of reporters tried to peer through the blocked doorway as Mr. Locke bowed before a shrine in the stone room where his 80-year-old father was born. They strained to watch as he was shown a wall of snapshots and portraits chronicling the Locke family's scattering to cities around the United States.

And as the governor kneeled before his great-grandfather's unmarked grave at the edge of a vast rice paddy, photographers captured his family burning incense and offering a roasted pig as sacrifice.

See ROOTS, Page 6

Thomas Cheng/Agence France-Presse

Mr. Locke bowing to an ancestor's grave with his father, Jimmy, and his wife, Mona, in the hamlet of 47 families.

Troubleshooting in Bosnia / **'That Was Fun, Wasn't It'**

U.S. Diplomat Relishes the Hot Spots

By Lee Hockstader
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — Inside the hotel were dozens of armed men, tense and grim as armed men get when there are people nearby who intend to do them serious harm.

Outside, surrounding the hotel, was a mob. The mob was drinking and the mob was not friendly.

"Remember Ceausescu!" howled a man in the mob with a bullhorn, referring to the Romanian dictator who was killed by a firing squad after a Bucharest crowd turned against him.

That's where things stood when Jacques Klein, a tough-talking, cigar-chomping American diplomat, showed up at the Bosna Hotel, a dreary establishment in the Bosnian Serb city of Banja Luka. The early September showdown between rival factions in the Serb-controlled half of Bosnia was well into its second day and about to reach its denouement. And Mr. Klein — heavy-set, bluff, profane — was where he enjoys being: in the middle of things.

"That was fun, wasn't it?" said Mr. Klein, smiling wryly as he recounted the events Washington has portrayed as one of the most serious threats to peace in Bosnia in two years.

Mr. Klein, 58, whose formal title is principal deputy high representative in Bosnia, is the West's second-ranking official here, handpicked for the job by Secretary of State Madeleine Albright.

French-born and American-reared, Mr. Klein is a veteran diplomat who has been around his share of conflicts. He was an intelligence and psychological operations specialist in an air commando unit early in the Vietnam War, a consular officer at the U.S. Embassy in Berlin at the height of the Cold War and, until this summer, the United Nations' administrator in Eastern Slavonia, a war-shattered sliver of Croatia on its border with Serbia.

A student of history with broad experience in European political and military affairs, Mr. Klein now has the task of somehow coaxing, cajoling and bullying Bosnia's mutually antagonistic Serbs, Croats and Muslims into a unified, multiethnic state that many of them do not want. In the two months he has been on the job, Bosnia has careened from one crisis to the next, and Mr. Klein has ended up as a high-ranking troubleshooter in a place where trouble is everywhere.

Wade Goddard/The Washington Post

Jacques Klein has the task of somehow coaxing, cajoling and bullying Bosnia's warring ethnic groups into a unified state.

"Bosnia is like an ulcer," he said. "It hasn't healed yet."

Many here and in the West think it never will. Nearly two years after a peace deal mediated by the United States, Bosnia's progress toward building a functioning, multiethnic society is spotty at best, and the potential for violence is still great. Many predict that if the West decides to withdraw the 35,000 troops here under NATO command by next summer, Bosnia will quickly descend into a fresh round of bloodshed.

BUT Mr. Klein is not a pessimist by nature or job description. Even as he rushes from one confrontation to another, he has joined the chorus of official voices arguing that the achievements of the past two years in Bosnia have been overlooked, that patience will yield greater results over time and that the interests of the West are too great to walk away.

In the process, he has been caught up in the deepening debate about America's role in Bosnia: How and under what conditions will it ever extract itself? Should Washington be choosing sides in the confrontation between rival factions of Bosnian Serbs? Should U.S. troops risk casualties for the sake of arresting indicted war crimes suspects from a war most Americans neither understood nor cared deeply about? Mr. Klein argues that there is no choice but to maintain a substantial Western, and specifically, American, military and diplomatic presence in Bosnia.

"What is the alternative?" he asked rhetorically. "The alternative is chaos, which no one wants."

Nonetheless, chaos is getting to be a specialty of Mr. Klein's.

Within weeks of his arrival this summer, he took it upon himself to resolve a tense standoff involving a television transmitter, 300 American troops and a nearly equal number of drunken, menacing Serbs on a remote hillside in northeastern Bosnia.

The Americans gave up the transmitter. The Serbs, hard-liners loyal to former President Radovan Karadzic, who has been indicted for war crimes, promised to end their inflammatory anti-NATO broadcasts and give an hour of air time nightly to dissenting views.

Many diplomats in Bosnia said Mr. Klein had given away the store, accepting a new set of empty promises from the Serb hard-liners while sending a signal of weakness with the withdrawal of U.S. troops.

Only slightly fazed by the criticism, Mr. Klein acknowledges the conditions he set were "spontaneous," while pointing out that Serb broadcasts have become somewhat milder in the month since he swung the transmitter deal.

"We weren't going to keep the transmitter, anyway," he said. "We actually got something for it."

Barely a week later, Mr. Klein flew into Banja Luka to defuse another, potentially much more serious crisis, again instigated by Karadzic loyalists.

This time, more than 75 busloads of Karadzic supporters were on their way to the stronghold of his rival, the U.S.-backed president of the Serb Republic, Biljana Plavsic, for a "political rally" led by Mr. Karadzic's top deputy, Momcilo Krajisnik. But the rally seemed more likely to turn into a rampage through the streets led by armed thugs.

Working the phone through the night, Mr. Klein persuaded top NATO commanders to block the buses from reaching the city. On the phone with Mr. Krajisnik, he threatened that Western troops would use force, if necessary, to prevent his people from running amok in Banja Luka.

"He's a stupid Serb, he's really dumb," said Mr. Klein, describing Mr. Krajisnik in a characteristically undiplomatic assessment.

Iran Loosens Up a Bit

As Power Shifts, Fun Makes a Comeback

By Douglas Jehl
New York Times Service

TEHRAN — There are people here who remember the New City as Tehran's red-light district, crawling with gamblers, pimps, addicts and the patrons of its several brothels, none of which ever raised a blink from Shah Mohammed Reza Pahlavi.

Of course, the revolution of 1979 brought an abrupt end to the shah's reign and to such un-Islamic diversions. The strict social restrictions imposed since then have hindered even healthy forms of recreation, particularly in south Tehran, a gritty and often stifling quarter whose poverty is not easy to escape.

It was Ayatollah Ruhollah Khomeini who once gloomily declared, "There is no fun in Islam." But a new spirit has seized the Iranian capital since the election in May of a new president, Mohammed Khatami.

It may be nowhere more in evidence than in what is now Razi Park, where the former site of dens of sin has been transformed into a vast public space with gardens, an artificial lake, bumper cars and even the occasional in-line skater.

Asked what she expected from Mr. Khatami and his government, a mother of two who was among the recent visitors flashed a wicked grin from beneath her black chador and said, "More fun!"

"Next, I want to ride a bike," said the woman, Afanseh Khani, 31, offering the clear suggestion that she has put up long enough with rigid rules like those that bar women from bicycling in public lest they arouse male lust.

The New City was torn down by revolutionaries who regarded it as a symbol of the worst of Western culture. But the wreckage sat untouched for well over a decade until the municipal government found the money to transform it into the biggest and newest of the 600 parks it has built in the last eight years as part of an effort to restore some green areas to what has become a sprawling, smog-choked capital.

Since the day last month when Mr. Khatami himself presided over an opening ceremony, Razi Park has become a magnet for people who say they agree with the new president that there is room in Islam for more personal space.

"We need a good and healthy society, not a society with too much restriction and dictatorship, and not one with too much freedom either," said Shahin Ahmedi, 41, who sat among a group of well-cloaked women but was watching with tolerance as a teenage girl broke another taboo — for females — by lighting up a cigarette.

In wealthier north Tehran, near the base of the Elburz Mountains, residents have long had leafy areas to flock to, while those who can afford it have been able to escape the city and its prying eyes on weekends. Behind closed doors are parties where people dance to forbidden Western music and drink forbidden alcohol that some even produce at home.

But since the revolution, the chance to play in public has been constrained by a long list of restrictions, including those that forbid women from appearing unless they are properly covered, meaning at minimum a tightly bound scarf and long raincoat.

Any transgression — an unmarried couple, for example, out together for a stroll — always carries the risk of detection and punishment, sometimes even a night or two in jail.

But gradually, some of those rules are being loosened, so that it is no longer uncommon to see young women wearing makeup, which was previously banned, or sporting platform shoes and varnished toenails beneath their cloaks.

The appetite for more freedoms is apparent even in south Tehran, with its reputation for conservatism. Among those who found a quiet park bench one recent evening was a young couple who freely admitted to being unmarried and declined only to provide last names.

"If people expect that women are going to be allowed to walk out in the street uncovered, that's not going to happen, because that's not our culture," said the young man, Amin, 26, a government employee. Then he pointed to himself and Mogiann, 22, a university student, and said, "But who's to say that there's something wrong with this?"

There is no doubt that the victory of Mr. Khatami has left some Iranians feeling bolder. But some of Mr. Khatami's opponents have also been active. In the city of Isfahan, a five-hour drive south of Tehran, there have been disturbances near the Imam Mosque against the city's chief cleric, Ayatollah Jalaleddin Taheri, whom the protesters fault for appointing a substitute Friday prayers leader they consider too liberal.

Ayatollah Taheri, who supports Mr. Khatami, has blamed the protests on disgruntlement in the wake of the elections. But in a statement addressed to him, the radical group Ansar e-Hezbollah — or Supporters of the Party of God — described the objections as rooted in Iran's religious doctrine and warned, "We are going to fight to the end."

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TRAVEL UPDATE

Cholera Deaths in Kenya Top 200

NAIROBI (AP) — Cholera has killed eight more Kenyans, bringing the death toll since the outbreak began two months ago to more than 200, health officials said Monday.

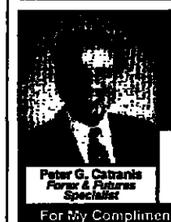
The bacterial infection has now spread to the Lake Victoria port of Kisumu, Kenya's third-largest town, said Dominic Mutie, disease control officer with the World Health Organization. Eight people died there over the weekend.

A Singapore-Scotland Rail Link

BANGKOK (AP) — One of the world's longest train rides — a 9,300-mile (15,000-kilometer) journey from Singapore to Scotland — is getting closer.

Planners and engineers are putting together the last links of a vast rail network that will link the far reaches of Asia and on to Europe.

About 1,200 miles of rails remain to be laid in Asia, and a railway tunnel must be dug under the Bosporus, linking the European and Asian parts of Turkey, before the four-decades-old dream becomes reality.



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Amsterdam	9/48	3/37 sh	8/48	4/39 c
Ankara	22/71	8/46 c	27/80	8/46 s
Athens	29/79	19/66 c	22/71	13/55 pc
Barcelona	14/57	6/43 s	12/53	1/34 c
Belgrade	8/46	5/41 r	8/46	-1/31 r
Berlin	7/44	0/32 sh	6/43	-3/27 c
Brussels	8/46	3/37 r	10/50	4/39 c
Budapest	11/52	4/39 c	9/48	-2/29 sh
Copenhagen	7/44	-1/31 c	4/39	-2/29 pc
Costa Del Sol	27/80	12/53 s	20/68	12/53 pc
Dublin	9/48	6/48 r	15/59	12/53 c
Edinburgh	9/48	6/43 sh	12/53	6/43 sh
Florence	13/55	2/36 sh	13/55	1/34 pc
Frankfurt	8/43	0/32 sh	7/44	-3/27 r
Geneva	8/46	0/32 r	7/44	-2/28 r
Helsinki	4/39	0/32 c	2/35	-2/29 sn
Istanbul	21/70	16/64 r	28/73	15/59 r
Kiev	8/46	3/37 pc	11/52	2/36 r
Las Palmas	26/79	18/66 s	24/75	19/66 s
Lisbon	19/66	13/53 s	19/66	13/55 s
London	10/50	7/44 sh	12/53	6/46 c
Madrid	18/64	4/39 pc	17/62	6/46 c
Majorca	17/62	9/46 pc	15/59	9/48 c
Milan	12/53	1/34 pc	13/55	0/32 c
Moscow	13/55	5/41 r	7/44	6/43 c
Munich	4/39	-3/27 sn	3/37	-7/20 sn
Nice	18/61	7/44 s	16/61	7/44 s
Oslo	5/41	-3/27 c	3/37	-3/27 c
Paris	9/43	3/37 sh	10/50	3/37 c
Prague	4/39	-1/31 sn	4/39	-6/22 sn
Reykjavik	9/48	7/44 r	9/48	8/46 r
Riga	7/44	2/35 c	7/44	0/32 sh
Rome	16/59	6/43 pc	16/61	5/41 s
St Petersburg	9/46	2/35 c	8/43	1/34 sh
Stockholm	1/34	-1/31 sn	2/35	-3/27 sn
Strasbourg	7/44	0/32 r	7/44	1/34 sh
Tallinn	6/43	1/34 c	4/39	-1/31 sn
Tbilisi	24/75	13/55 pc	27/80	14/57 s
Venice	11/52	2/36 pc	11/52	-2/29 pc
Vienna	5/43	1/34 sn	6/43	-3/27 c
Warsaw	6/43	2/36 sn	5/41	-2/29 sn
Zurich	5/41	-1/31 sn	4/39	-1/31 sn

Middle East

Abu Dhabi	38/100	22/71 s	38/100	22/71 s
Beirut	31/88	24/75 s	33/91	25/77 s
Cairo	35/95	22/71 s	38/100	23/73 s
Damascus	33/91	17/62 s	34/93	17/62 pc
Jerusalem	29/84	18/64 s	31/88	18/64 s
Luxor	37/98	19/66 s	39/102	18/64 s
Riyadh	38/97	19/66 s	37/88	19/66 s

Africa

Algiers	18/64	11/52 c	17/62	11/52 r
Cape Town	23/73	14/57 pc	21/70	13/55 pc
Casablanca	26/79	16/61 s	26/79	16/61 s
Harare	24/75	9/48 pc	29/79	9/48 pc
Lagos	30/86	23/73 c	29/84	23/73 pc
Nairobi	29/79	14/57 c	29/82	13/55 c
Tunis	21/70	12/53 pc	20/68	11/52 sh

Forecast for Wednesday through Friday, as provided by AccuWeather.

North America
Turning cooler in the Northeast Wednesday with showers, then dry and cool into Friday. The Southwest will be sunny, hot and dry, while the rest of the West will be sunny and pleasant. Cloudy with showers and areas of rain from Texas along the Gulf coast to Florida.

Europe
Cloudy and cool with showers across England and northern France Wednesday, then milder with some sun Thursday and Friday. Cloudy, damp and chilly with periods of rain from the Balkans to Romania and north to Poland. Moscow will have a cold rain, while snow is likely at St. Petersburg.

Asia
Showers in Beijing Wednesday, then dry and cool with some sun through Friday. Pleasant in Seoul Wednesday, then turning cooler with showers. Partly sunny and comfortable in Tokyo, but it may shower by Friday. Warm and humid with scaling rain across southeastern China.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather.

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Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Almaty	22/71	7/44 s	23/73	8/46 s
Bali	31/88	19/66 s	30/86	19/66 s
Bangkok	33/91	24/75 pc	32/89	24/75 sh
Beijing	23/73	9/48 s	21/70	7/44 pc
Bombay	31/88	23/73 pc	32/89	23/73 s
Calcutta	30/86	21/70 s	29/84	20/68 pc
Chiang Mai	31/88	21/70 sh	31/88	21/70 c
Colombo	29/84	24/75 r	29/84	23/73 r
Hanoi	31/88	24/75 c	30/86	23/73 c
Ho Chi Minh	32/89	24/75 r	31/88	23/73 pc
Hong Kong	28/82	24/75 pc	28/82	23/73 pc
Islamabad	33/91	17/62 pc	28/78	15/59 sh
Jakarta	32/89	21/70 pc	31/88	21/70 pc
Karachi	37/99	24/75 s	34/93	22/71 s
K. Lampur	31/88	22/71 r	31/88	22/71 r
K. Kinabalu	31/88	23/73 pc	30/86	23/73 c
Manila	31/88	23/73 pc	31/88	22/71 pc
New Delhi	32/89	17/62 s	32/89	18/64 s
Phnom Penh	32/89	24/75 r	31/88	23/73 sh
Phuket	33/91	24/75 pc	32/89	24/75 sh
Rangoon	29/84	22/71 pc	28/84	22/71 pc
Seoul	20/68	9/37 s	17/62	7/44 s
Shanghai	29/79	17/62 pc	22/71	13/55 pc
Singapore	31/88	21/70 pc	30/86	21/70 pc
Taipei	28/82	23/73 sh	29/84	22/71 pc
Tokyo	18/66	11/52 s	21/70	13/55 s
Vientiane	31/88	22/71 pc	31/88	21/70 pc

North America

Anchorage	0/32	-7/20 pc	1/34	-7/20 sn
Atlanta	23/73	10/50 c	19/66	8/46 pc
Boston	23/73	13/55 pc	17/62	7/44 sh
Chicago	12/53	1/34 s	14/57	4/39 pc
Dallas	24/75	8/46 s	23/73	8/46 s
Denver	21/70	4/39 s	21/70	3/37 s
Detroit	13/55	0/32 s	12/53	3/37 pc
Honolulu	30/86	23/71 pc	30/86	23/71 pc
Houston	25/77	8/48 s	22/71	10/50 s
Los Angeles	33/91	18/64 s	34/93	14/57 pc
Miami	29/84	23/73 pc	29/84	24/75 pc
Minneapolis	9/48	1/34 pc	12/53	1/34 pc
Montreal	22/71	7/44 sh	13/55	4/39 pc
Nassau	31/88	22/71 s	31/88	23/73 sh
New York	23/73	14/57 pc	18/64	11/52 pc
Orlando	30/86	19/66 s	29/82	18/64 pc
Phoenix	33/91	16/59 s	33/91	19/64 s
San Fran.	27/80	12/53 s	26/79	12/53 s
Seattle	17/62	10/50 pc	18/64	11/52 pc
Toronto	14/57	-2/29 pc	13/55	3/37 pc
Vancouver	12/53	10/50 r	19/66	12/53 pc
Washington	26/79	12/53 sh	17/62	9/48 pc

Latin America

Buenos Aires	21/70	16/61 r	17/62	7/44 pc
Caracas	31/88	21/70 pc	31/88	22/71 pc
Lima	22/71	16/61 pc	22/71	17/62 sh
Mexico City	19/66	9/48 sh	19/66	9/48 s
Rio de Janeiro	27/80	18/64 pc	29/77	22/71 pc
Santiago	14/57	5/41 r	13/55	-1/31 sh

Oceania

Auckland	18/64	10/50 r	17/62	9/48 pc
Sydney	22/71	14/57 s	21/70	13/55 s

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MALAYSIA	RM	182	101	44%
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NORWAY	NOK	832	390	53%
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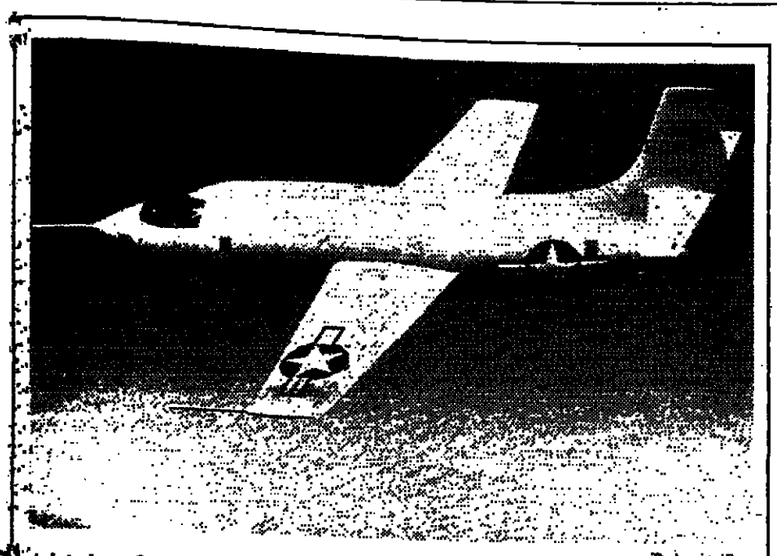

The Associated Press

A jet aircraft of the type Chuck Yeager flew when he broke the sound barrier.

He Still Has the Right Stuff

50 Years On, Yeager to Break Sound Barrier Again

Reuters

LOS ANGELES — On Tuesday, Chuck Yeager flies back to the future he helped forge as a 24-year-old test pilot with "the right stuff" to take on the speed of sound.

At precisely 10:22 A.M., he will once again pilot a plane through the sound barrier more than 30,000 feet (9,090 meters) above Edwards Air Force Base.

When he did it the first time on Oct. 14, 1947, the sonic boom reverberated from Southern California around the world, opening up a future of supersonic flight and space travel.

On Tuesday, Mr. Yeager, a retired Air Force brigadier general, will not be at the controls of the same orange X-1 rocket plane nicknamed "Glamorous Glennis" after his wife. This time, he will be buckled in to the cockpit of a modern fighter plane, the F-15. He will be accompanied in an F-16 by Bob Hoover, who was his backup in 1947 and who photographed the X-1 hurtling past with characteristic diamond-shaped shock waves blasting from its four rockets.

Another difference this time is that the world will hear about his flight. In 1947, the government kept his feat secret until June 15 the following year.

Mr. Yeager, 74, is a man of few words. In a recent Los Angeles Times interview, he played down breaking the sound barrier.

"I didn't do it for personal benefit," Mr. Yeager said. "I didn't look at it that way, it was duty."

What he fails to mention is the risk involved. Many feared that an aircraft exceeding the speed of sound at 40,000 feet would disintegrate. If anything went wrong, there was little chance of survival.

As it turned out, Mr. Yeager's 31-foot plane with four rocket engines producing 6,000 pounds (2,727 kilograms) of thrust and fueled by liquid oxygen and alcohol performed perfectly after dropping from the belly of a B-29 bomber at 26,000 feet.

A Jet-Powered Car Nearly Does It on Land

Reuters

GERLACH, Nevada — A jet-powered car came within a whisker of breaking the sound barrier on land on Monday, missing it by less than 10 miles per hour, team officials said.

The Thrust SuperSonic car driven by Andy Green, a British Royal Air Force pilot, roared across the Black Rock desert at 749.69 miles per hour (1,199.50 kilometers per hour) or 99.7 percent of the speed of sound, the official timers said.

There was a muffled boom as the car raced across the desert in clouds of dust. When the official timers announced that the car had narrowly missed breaking the sound barrier, Richard Noble, the team leader, said the car made the fastest timed run in history.

The sound barrier varies according to altitude and temperature. It is currently 755 miles per hour on the Black Rock desert. Mr. Green set the world speed record for a car on Sept. 25 when he took Thrust up to 714 mph.

In Caracas, Clinton Sees Trade Pact 'Within Reach'

The Associated Press

CARACAS — Appealing for free trade throughout the Western hemisphere, President Bill Clinton told Venezuelans on Monday that he saw "a democratic and prosperous family of the Americas within our reach."

The president ended a 24-hour state visit with an address to the Venezuelan people and approval of agreements on energy cooperation and anti-drug efforts.

Mr. Clinton said the United States was determined to work with Venezuela "as friends and partners to claim the benefits and carry the burdens of this new era."

With President Rafael Caldera at his side, Mr. Clinton also aimed a message at Congress, where he is waging an uphill battle to obtain "fast-track" trade authority, which would give the administration a stronger hand in negotiating trade agreements. He also wants more freedom to negotiate what he called a "free-trade area of Americas" by 2005.

"From Alaska to Argentina we will tear down the barriers of the past and open wide the doors of the 21st century," Mr. Clinton said before heading to Brazil, the second stop on his first trip to Latin America.

"Whether we all like it or not, global economic integration is on a fast track," he added.

Mr. Clinton, the first foreign head of state to be invited to speak at the National Pantheon, delighted his audience when he acknowledged the honor in Spanish. "Todo esta chevere en Venezuela!" he called to cheers. Loosely translated from local slang, it means "Everything is cool in Venezuela."

Mr. Caldera thanked Mr. Clinton for a visit that held special significance as "an acknowledgment of our sovereignty and the unification of our identity as Latin America."

Before flying to Brazil, Mr. Clinton and his wife, Hillary Rodham Clinton, received a symbolic key to the city of Caracas and laid a wreath of red, white and blue carnations at the tomb of Venezuela's most-revered hero, Simon Bolivar, who led the fight to end Spanish rule in the 1800s.

"He was the first to imagine a hemisphere of democracies," Mr. Clinton said. "Today, our hemisphere is growing closer every day."

"We have put the age-old dream of a democratic and prosperous family of the Americas within our reach," he added.

Earlier, he and Mr. Caldera presided at a signing ceremony of accords extending cooperation in the fight against narcotics by giving Venezuela more than $11 million in equipment, including patrol boats and surveillance planes to spot smugglers. The United States and Venezuela also will establish a joint intelligence center to share information and coordinate anti-drug operations.

Venezuela is a major drug-smuggling route from Colombia to illicit markets. The country serves as a transshipment point for perhaps 100 metric tons of cocaine and 10 tons of heroin a year.

The agreements signed Monday at the Miraflores Palace also included a pledge to pursue a treaty ensuring equal treatment under Venezuelan law of U.S. companies that do business here, to promote diverse, competitive energy markets, and to cooperate in science and technology.

Last year, Venezuela replaced Saudi Arabia as the United States' top foreign supplier of oil, and Mr. Clinton saluted the nation as "a rock of stability, staying out of the oil embargo, stepping in to boost production in moments of crisis, from World War II to the Gulf War."

The White House hopes Mr. Clinton's journey to South America will help persuade Congress to approve the "fast-track" trade authority he wants in order to negotiate a hemispheric free-trade zone at the Summit of the Americas scheduled for next spring.

Administration officials say there is a huge potential for U.S. companies in Latin America. American exports to the region are growing twice as fast as to any other part of the world and — by 2010 — are projected to be greater than to the European Union and Japan combined.

POLITICAL NOTES

Quayle Gets in Swing Of Presidential Race

WASHINGTON — He's tanned. He's fit. And he's so ready to ponder a White House run in 2000 that he's willing to go three whole weeks without playing golf.

"None, zero," said former Vice President Dan Quayle, conceding that any such race would slice "big time" into his beloved game.

Of late he has been traveling the country to gauge whether the man once ridiculed as a lightweight might now seem fresh and maybe even a few years ahead of the political curve. Clearly, a cadre of potential presidential campaign aides and advisers still exists in Washington — judging from the crowd of nearly 100 Quayle-ites at Georgetown's Café Milano for a reunion Saturday.

At 50, Mr. Quayle's face is still boyish, his demeanor still frat-house friendly. Indeed, in a sea of suits and ties, he sported a polo shirt, chinos and loafers sans socks.

"People look at me and say, 'You really aren't from Washington,'" Mr. Quayle said. In fact, the Quayles live in Phoenix, Arizona. *(WP)*

Farrakhan Proclaims A 'Day of Atonement'

WASHINGTON — Millions of black Americans will participate in a "day of atonement" by staying home from work and school Thursday, the Nation of Islam leader, Louis Farrakhan, predicted in a television interview.

He said the day, coming on the second anniversary of the "Million Man March" in Washington that Mr. Farrakhan organized, had its roots in Yom Kippur, the Jewish Day of Atonement. "We believe that the children of Israel are a sign or a prototype of the 400-year suffering of blacks in America," he said. *(AP)*

Quote/Unquote

Attorney General Janet Reno, after Newt Gingrich, the House speaker, said she "looks like a fool" in the campaign fund-raising inquiry: "Name calling may be an appropriate tactic in politics, but what we're trying to do is to conduct the best, most thorough investigation we possibly can, and one of the things that I can't do is tell the speaker what I'm doing in the course of the investigation." *(NYT)*

Away From Politics

- **A man surrendered in Atlanta** after a six-hour standoff in which one police officer was shot to death and another critically wounded. Gregory Hall Lawler, 45, was charged with murder and aggravated battery. *(AP)*
- **The U.S. Army has decided to appoint Command Sergeant Major Robert Hall** as its new senior enlisted soldier, acting several days after removing Gene McKinney, who faces a court martial on sexual misconduct charges, from the post of Sergeant Major of the Army. *(AP)*
- **A helicopter crashed** in a remote area near Sago, West Virginia, killing four people, including a member of the state board of education and a coal company executive. *(AP)*

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THE AMERICAS

John Denver, Singer, Dies in Crash

The Associated Press

PACIFIC GROVE, California — John Denver, 53, whose 1970s hits like "Rocky Mountain High" and "Take Me Home, Country Roads" won him millions of fans worldwide, was killed when his experimental plane crashed into Monterey Bay.

The identity of the body, pulled from the waters after Sunday's crash, was confirmed from fingerprints sent from Colorado, Sheriff Norman Hicks of Monterey County said Monday. An autopsy was planned.

"He loved flying," Teri Martell, whose sister Annie was Mr. Denver's first wife, said. "He died doing something he loved."

As the sun rose over the crash site Monday, a Coast Guard helicopter circled overhead, appearing to look for more debris from the crash, and a Coast Guard ship floated over the site about 100 yards from shore.

The plane, which he owned, was made of fiberglass with a single engine and two seats. It was considered an experimental aircraft, said Lieutenant Carl Miller of the Pacific Grove police. The plane took off from Monterey Airport shortly after 5 P.M. Sunday, with the first reports of a crash at 5:27 P.M. Only Mr. Denver was aboard.

The plane was flying about 500 feet (150 meters) in the air "when it just sort of dropped unexpectedly into the ocean," Lieutenant Miller said.

Mr. Denver, a licensed pilot, was in a previous plane accident in April 1989. He walked away uninjured after the 1931 biplane he was piloting spun around while taxiing at an airport in northern Arizona.

Born Henry John Deutschendorf Jr., the son of a U.S. Air Force pilot, he took his stage name from the principal city in Colorado, where he eventually made his home.

In the mid-60s, he was chosen from 250 other hopefuls as lead singer for the Chad Mitchell Trio as a replacement for the departing Mr. Mitchell. But the trio's best years were behind it by then, and he left in 1969 for a solo career. That same year, his song "Leaving on a Jet Plane" became a big hit for Peter, Paul and Mary.

Soon, Mr. Denver's own records — melodic, light folk-pop with touches of country — began climbing the charts.

He scored with songs like "Sunshine on My Shoulders," "Annie's Song" (written for his first wife), "Back Home Again" and "Thank God I'm a Country Boy." He was named Country Music Entertainer of the Year in 1975.

Fourteen of his albums went gold, selling more than 500,000, and eight were ranked as platinum, with more than a million sold. The LP "John Denver's Greatest Hits" is still one of the largest selling albums in the history of RCA Records, with worldwide sales of more than 10 million copies.

His handsome smile and cheerful image — sort of a clean-cut hippie who could appeal to all generations — made him a winner on countless TV specials.

He has strong appeal to overseas audiences as well, with many gold and platinum records in other countries. In 1985, he toured the Soviet Union in the first performances by an American artist since an earlier suspension of cultural exchanges. He was the first artist from the West to do a multicity tour of mainland China, in October 1992, and similarly in Vietnam in May 1994.

In 1976, Mr. Denver co-founded the Windstar Foundation, a nonprofit environmental education and research center that works toward a sustainable future for the world.

He also was active in fighting world hunger and had an avid interest in space exploration.

Reuters

John Denver: A handsome smile and a cheerful image.

White House Unit Rebuts Lawyers On 'Coffee Videos'

By George Lardner Jr.
Washington Post Service

WASHINGTON — A top official of the White House Communications Agency has told Senate investigators that his unit never received a memorandum that White House lawyers say they sent in April asking for videotapes of President Bill Clinton's coffee sessions with donors.

In a deposition, Steven Smith, the communications office's chief of operations, swore that his agency was never asked for videotapes or other records of the coffees until about two weeks ago.

All he received last April, he said in the Friday deposition, was a two-page list of individuals and organizations caught up in the investigations of the 1996 campaign's fund-raising practices.

The White House counsel, Charles Ruff, has said he sent the communications office and other White House units a four-page memo.

He repeated this assertion on Sunday in an ABC television interview. Mr. Ruff said that 44 coffee tapes discovered on Oct. 1-2 were among materials the White House Communications Agency was asked to search for months ago.

Mr. Ruff implied that the agency was at fault for the belated discovery.

But less than an hour later, the White House tentatively acknowledged another foul-up and said it appeared to have been made "inadvertently" by the White House Military Office, which is an intermediate point for paper traffic between Mr. Ruff's office and the WHCA.

Run by a political appointee, Alan Sullivan, the White House Military Office supervises 845 career military personnel in the communications agency and gives them their day-to-day instructions, including which events the crews should record.

Mr. Smith's statements contradicted an explanation that was put out last week by White House lawyers and seems certain to amplify congressional anger over belated production of subpoenaed White House records, and a debate over who was asked for what and when.

Mr. Sullivan referred all questions to a White House special counsel, Lanny A. Davis, who responded:

"We understand that the military office, when it was producing copies of Ruff's four-page April 28, directive, may have inadvertently neglected to photocopy the first two sheets of the directive, on which reference to materials relating to 'coffees' was expressly included."

In addition to the 44 coffee-session videotapes turned over to congressional and Justice Department investigators on Oct. 4 and 5, the White House has found more than 100 other videotapes and audio tapes of Democratic National Committee "finance-related events" and plans to make them public this week.

These tapes, featuring Mr. Clinton at fund-raisers across the country, were said to show him heaping praise on two money men, John Huang and Yah Lin (Charlie) Trie, for their support.

Other subjects covered by subpoenas, such as Mr. Clinton's radio addresses, have yet to be tracked down.

WHCA has been widely depicted as having told White House lawyers that it did not videotape private or closed events such as Mr. Clinton's coffees.

Mr. Ruff sustained that impression on television Sunday when asked if "WHCA lied to you."

"This isn't a matter of lying," Mr. Ruff said.

"This is a matter of good solid career people who pushed the wrong button or asked the wrong question of the computer."

Wes Gallagher, 86, Oversaw Revamping of Associated Press

New York Times Service

Wes Gallagher, 86, who as president and general manager of The Associated Press oversaw substantial changes in news coverage and the use of technology, died Saturday in Santa Barbara, California.

Mr. Gallagher, a booming-voiced Californian who was a daring and respected war correspondent in World War II, was the news agency's general manager and chief executive from 1962 until 1976. He was also its president from 1972 to 1976, retiring at the mandatory age of 65.

The AP is a cooperative owned by member newspapers and radio and television stations in the United States. In 1976 its news appeared in up to 1,300 newspapers, went to 3,500 radio and television stations in the United States and was transmitted to 100 foreign countries.

During Mr. Gallagher's last decade at The AP, he oversaw an evolution in its perception of what was news.

In that period, the news service kept reporting about news events as they occurred but it came to put a new emphasis on dispatches that tried to go beyond the hard facts of the news. By 1976, the agency was sending subscribers "in depth" stories about such topics as lifestyles, inflation and the environment.

As general manager, Mr. Gallagher oversaw the creation of a team of energy specialists who wrote interpretive and background stories about that era's oil shortage. He created a "Mod Squad" of roving reporters to write about the evolutions in American lives that began in the late 1960s. And he set up a special group of reporters to chronicle urban problems in the 1970s.

In the technical field, Mr. Gallagher oversaw the use of computers in various aspects of the agency's gathering and reporting of the news, along with an acceleration of the transmission of news that was made possible by technological advances. His other innovations included founding a division to compile "instant" books about important events.

Thomas Whiteside, 79, Writer for New Yorker

New York Times Service

Thomas Whiteside, 79, a writer who made a career of tackling extraordinarily complex topics — from toxic chemicals to media conglomeration — for The New Yorker, died of heart failure Oct. 10 in West Cornwall, Connecticut.

Mr. Whiteside worked at the magazine for 45 years, writing about subjects as whimsical as the model Twiggy and as serious as the perils of a class of chemicals called dioxins. These were used in Agent Orange, a herbicide dropped extensively on Vietnam in the Vietnam War.

Robert H. O'Brien, 93, Ran MGM in the '60s

New York Times Service

Robert H. O'Brien, 93, an early member of the Securities and Exchange Commission who later presided over the Metro-Goldwyn-Mayer film studio in the 1960s, died Oct. 6 in Seattle.

Mr. O'Brien ran MGM during a particularly turbulent time. While the studio produced some of its greatest hits — including "Doctor Zhivago" and "2001: A Space Odyssey" — its uneven profitability disappointed some shareholders, who challenged Mr. O'Brien's leadership. He resigned as chairman in 1969.

C. Benson Branch, 82, a former president and chief executive of Dow Chemical Co., died Oct. 4 in San Antonio. An executive who spent his 39-year career at Dow, Mr. Branch made his mark developing the international side of Dow's business, markets the company had largely ignored from its creation. *(NYT)*

Fred Fang Yu Wang, 84, an artist, calligrapher and expert in Chinese art who helped develop the first computer system to teach Chinese, died Oct. 6 in New York. He taught Chinese language and literature at Yale University from 1945 to 1965, then joined the faculty of Seton Hall University in New Jersey, where he became chairman of the department of Asian studies and curator of the Oriental Art Collection. *(NYT)*

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DEATH NOTICE

A funeral service for
JEAN PASQUALINI
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who died in le Kremlin-Bicêtre, France on October 9, 1997 will be held on Wednesday, October 15 at 11 A.M. at St Marcel de la Salpêtrière 82, boulevard de l'Hôpital Paris 13e followed by cremation at Père Lachaise at 2 P.M.

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Mexican Workers vs. Unions

Government Exercises Control Through Locals

By Sam Dillon
New York Times Service

TIJUANA, Mexico — For three years, Armando Hernandez belonged to a government-controlled union he had never heard of, led by labor bosses he had never seen. His 85-cents-an-hour wage was set by a contract negotiated in secret that he was not allowed to read.

Mr. Hernandez began to figure all this out recently when he and scores of other welders walked off their jobs at the Korean-owned Han Young factory in Tijuana, demanding a raise and vowing to form an independent union.

A stranger appeared, identified himself to workers as their union representative, and said they were lucky to be earning twice Mexico's minimum wage, which is about 41 cents an hour. Infuriated, the workers began pelting the man with their welders' gloves, driving him from the plant.

But it has been harder for the workers to get rid of the hitherto-secret union itself, which is affiliated with the governing Institutional Revolutionary Party, or PRI.

After months of turmoil, Han Young workers voted overwhelmingly on Oct. 6 to oust the PRI union and recognize one of their own choosing. But a government labor board has refused to announce the results, and Mr. Hernandez and his colleagues are charging fraud.

Union elections in Mexico are often disputed, but this one has attracted rare attention.

American trade unionists and other sympathizers, many of whom traveled to Tijuana to monitor the balloting, as well as several members of the U.S. Congress, are pointing to the case as an instance of labor abuses they say are routine despite Mexico's pledges under a side accord of the North American Free Trade Agreement to respect the right of workers to form independent unions.

"The government is trying to swindle this election," said Teresa Valladolid, a field representative for the AFL-CIO who attended the vote.

The Han Young plant where Mr. Hernandez works, which makes chassis for tractor trailers, is one of Mexico's 2,700 border assembly plants, called *maquiladoras*, which assemble imported parts for re-export tax free. Not one of these plants has an independent union, labor experts say.

The turmoil at Han Young is one of a number of recent challenges to the country's authoritarian labor system, which Mexican laoor lawyers and other critics say has served mainly to turn out votes for the PRI on election day and to keep labor cheap.

The efforts by Americans to aid the Han Young workers have angered Tijuana employers.

"This is an attempt by the U.S. labor movement to destabilize Mexico's maquiladora industry," said Jose Mandujano Alvarez, a prominent strategist for Tijuana employers, who watched the Oct. 6 vote. "It's part of their strategic plan to provoke our workers."

There are other causes for the sparks of restiveness among Mexican workers. Local PRI unions like the one at the Han Young plant belong to labor federations that are wings of the party, giving PRI leaders considerable control.

But now there is a power vacuum; the recent death of Fidel Velasquez, the country's 97-year-old labor patriarch, has left a group of bickering septuagenarians in charge of the PRI's once-mighty labor empire.

Although the economy is booming, a fifth of Mexico's workers earn a daily minimum wage of about $3, which buys only a fraction of what it purchased 20 years ago. And as successive economic crises have impoverished many Mexicans, democratic changes in Mexico's political system have aroused hopes for democracy in other institutions. As a result, isolated labor disputes have flared in a working population that has been extraordinarily long-suffering.

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Winds and Computer Delay Saturn Mission

The Associated Press

CAPE CANAVERAL, Florida — Dangerously strong wind and computer problems forced NASA to delay the launching Monday of its Saturn probe, Cassini, powered by 72 pounds of highly radioactive plutonium.

The National Aeronautics and Space Administration said it would try again, but no earlier than Wednesday.

The scheduled predawn liftoff of the Titan 4B rocket holding the Cassini spacecraft was pushed back first by technical trouble, then by winds of 100 miles an hour (160 kilometers an hour) at altitudes of more than seven miles. An air force meteorologist said that, in the event of an explosion, the wind would have blown rocket debris down the Florida coast.

As the countdown dragged on, computer problems cropped up in ground equipment and the probe itself, causing NASA to postpone the launching.

Cassini's destination is the planet Saturn. The trip will take seven years and cover 2.2 billion miles.

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Kohl Quashes Young Party Rebels

Congress Rallies Behind Chancellor Despite His Poor Polls

By John Schmid
International Herald Tribune

FRANKFURT — Chancellor Helmut Kohl on Monday silenced critics in his own party who threatened to wreck a show of unity at the Christian Democrats' annual convention.

Before Mr. Kohl delivered the keynote speech as the three-day congress started in Leipzig, he managed to suppress outspoken backbenchers whose attacks on his leadership had promised to inject drama into the proceedings and hobble the chancellor's already uncertain re-election chances next year.

Exhorting the party to close ranks, Mr. Kohl used his hour-and-a-half speech to rally conservatives behind his bid for a record fifth term, calling next year's election "one of the toughest in the history of our republic."

"We have every chance if we want it, if we only stand together and fight," Mr. Kohl said in a thinly veiled jab at the party's youthful dissidents, known as the "young wild ones."

"Before us lies a hard road," Mr. Kohl said. "I expect each in our party to take part."

The most caustic attack came from Klaus Escher, the 31-year-old leader of the Christian Democratic Union's youth wing, who by Monday morning had distanced himself from his comments. Mr. Escher conceded his "unfortunate" formulations in his urging last week that Mr. Kohl step down as party chairman even if he won the next election. He regretted the reaction his remarks had stirred, he said.

Another dissident, Peter Mueller, party chairman in the state of Saarland, also fell into line after complaining last week that the party needed "a new face" to generate fresh ideas.

Allies of Mr. Kohl played down the latest rift, which follows months of party infighting. The feud amounted to "political family matters, dealt with in a clear but friendly manner," in the words of the party's secretary-general, Peter Hintze.

In an unmistakable sign that Mr. Kohl still commands respect within his party, the leader of the "young wild ones," Christian Wulff, gave the chancellor a ringing endorsement before the congress opened. Mr. Wulff, until recently one of Mr. Kohl's most vocal detractors in the party, called him a "rock of stability" and disavowed Mr. Escher's views.

Calls for new blood in the party's leadership came just as Mr. Kohl had been looking to the convention for a political boost.

Mr. Kohl, 67, has served as chancellor since 1982 and party chairman since 1973, making him the longest-serving chancellor this century but also vulnerable to charges of aging leadership.

The newsmagazine Der Spiegel this week complained that Mr. Kohl's recent performances in Parliament have been "weak." Polls continue to write off Mr. Kohl's chances in the September 1998 vote. A Forsa poll published Sunday shows that only 30 percent of Germans in the survey believe Mr. Kohl is the right man to lead Germany in the current situation, while 56 percent oppose him.

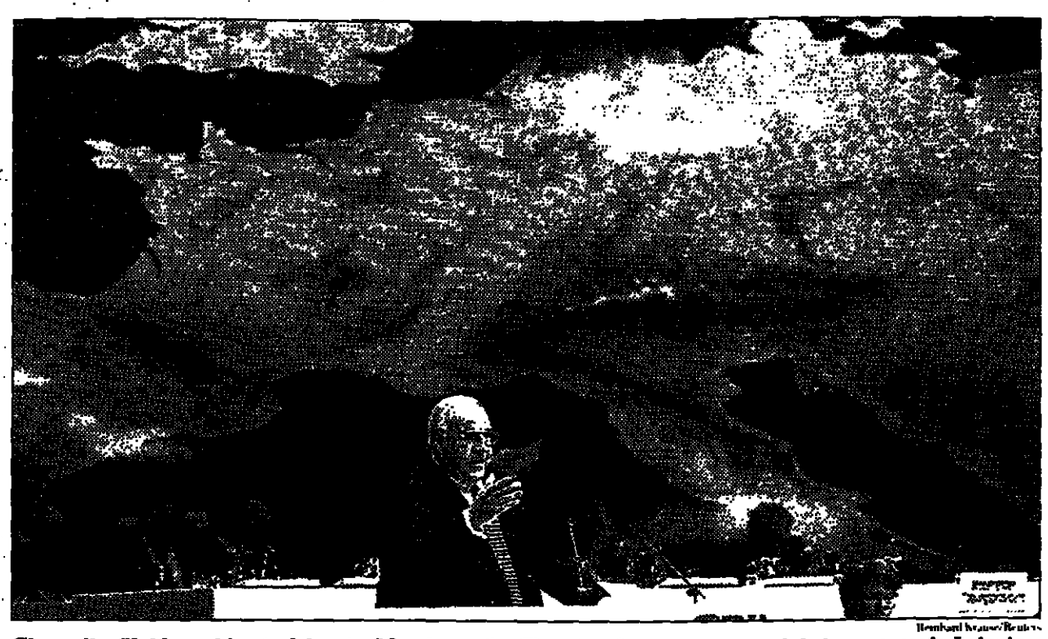
For that reason, the hearty standing ovation that followed Mr. Kohl's speech became more important than standard partisan boosterism. The convention bars any vote on Mr. Kohl's decision six months ago to stay on as the party's standard-bearer. For the 1,000 Leipzig delegates, it was their only chance to register support for Mr. Kohl's decision to seek re-election at a time when he remains unpopular with voters and unable to push through much of his own legislation.

"Helmut Kohl is the CDU's decisive trump card and the CDU knows that," Mr. Hintze said before the convention.

"It is not polls but election results that count," Mr. Kohl told the delegates, referring to his track record of come-from-behind victories.

Making only indirect mention of his party's discontent, Mr. Kohl concentrated his speech on his plans for economic reforms and the creation of jobs for the 4.3 million unemployed. He encouraged Germans to accept more risk in the global economy and to support his ardent drive to unify Europe with a common currency. Overcoming the internal split left by unification will also be a priority, he said.

He also vowed to take a tough stance against Germany's rising crime rates and launched broadsides against the opposition Social Democrats for blocking tax reforms his party says are needed to revitalize the economy.



Reinhard Krause/Reuters
Chancellor Kohl speaking to delegates Monday as the Christian Democrats opened their congress in Leipzig.

Paris Court Stops Book's Sales After Politicians Protest

Agence France-Presse

PARIS — A Paris court on Monday ordered the suspension of sales of a book that implicates two former French ministers in the 1994 killing of a National Assembly deputy, Yann Piat.

The court suspended sales of the book, "The Yann Piat Affair: Assassins at the Heart of Power," until Oct. 24, when it will rule again on a defamation suit brought by former Defense Minister Francois Leotard and former Urban Affairs Minister Jean-Claude Gaudin.

The book alleges that two senior politicians ordered Mrs. Piat's murder. They are not identified in the book, but details about them make it clear who is being referred to. Mr. Leotard and Mr. Gaudin have denied that they had anything to do with the affair.

The book, by two journalists, notably cites a senior former intelligence agent as saying two politicians ordered Mrs. Piat's murder on Feb. 25, 1994, because she knew too much about alleged sales of military land to Mafia-linked businessmen.

Behind Russia's Church Curb, a Bitter Orthodox Rift

By Michael R. Gordon
New York Times Service

SUZDAL, Russia — With its onion-domed churches and imposing walled monastery, this town has long been a symbol of the Russian Orthodox faith.

Nestled among quiet streams and woodlands about 200 kilometers (125 miles) east of the hustle and bustle of Moscow, it conveys a quiet serenity.

But the calm is deceptive.

With the stroke of a pen, President Boris Yeltsin has transformed Suzdal into a battleground in Russia's new religious war.

The conflict pits the Russian Orthodox Church, the dominant faith in Russia and an ally of the Yeltsin government, against the breakaway Free Orthodox Church, which sees itself as the heir of Russia's religious legacy.

The prize here is control of 15 churches, which the breakaway group, founded in 1991, has been painstakingly restoring to their former glory.

"We have 15 churches, which the Moscow Patriarchate has always claimed," said Archbishop Valentin, head of the Free Orthodox Church. "It does not want the closed and half-destroyed churches in our region. It wants the churches that have been restored from the ruins at our expense and by the hands of our believers."

The religious law that Mr. Yeltsin signed on Sept. 26 was not just to protect the Russian Orthodox Church against rivalry from Roman Catholics, Protestants and other faiths from the West.

It is also part of a brewing internal struggle for control over Orthodox churches, cathedrals, seminaries and religious schools.

The Russian Orthodox Church under Patriarch Alexy II in Moscow insists that it simply wants to protect its spiritual heritage from self-appointed clerics.

It has drawn support from the Orthodox Church in America, the largest Orthodox church of Russian origin in the United States, which complains that breakaway groups have gained control of religious property in the confusion that followed the breakup of the Soviet Union.

"They were built by Russians in the Russian Orthodox Church hundreds of years ago, not by a splinter group," said Father Daniel Hubiak, Moscow representative of the Orthodox Church in America, referring to the Suzdal churches.

But critics of the dominant Russian Orthodoxy insist that its real goal is to stifle dissent within its ranks and to wrest religious property from minority Orthodox groups.

Among those that feel threatened is the pro-Kiev faction of the Ukrainian Orthodox Church, which complained about seizure of property just days after the new law was signed. The buildings at issue — a cathedral, seminary, convent and religious school — are in Noginsk, east of Moscow.

Another faction, the Russian Orthodox Church Outside of Russia, the pro-monarchist church based in New York, shares concerns about its powerful rival.

The émigré group broke with the Moscow Patriarchate in 1927 because of the Moscow church's cooperation with Stalin and others in the Kremlin leadership. It fears that the religious activities it resumed in Russia after the 1991 collapse of the Soviet system could be severely restricted and that it could lose parishes.

Some Old Believers — members of a faction that opposes liturgical reforms carried out in the 17th century and has maintained its traditions in Russia — have similar fears. They worry about losing out in a competition to regain icons, bells and other religious property from the state and about losing some of the property they already have.

Even before the new law was passed, the Free Orthodox Church, which has its headquarters here, had a church in a nearby town taken away, and it fears it may lose more. Although the church is small, other breakaway churches and human rights groups are taking note.

Suzdal is "a classic test case," said Father Victor Potapov, rector of the Russian Orthodox Cathedral of St. John the Baptist in Washington, who is in the émigré church.

During the Soviet decades, many of Suzdal's churches were sorely neglected. But Soviet leaders turned the town into a tourist center nonetheless, the better to make hard currency and to demonstrate that Moscow allowed a modicum of religious freedom — under the watchful eyes of the KGB.

The leaders of the Russian Orthodox Church, for their part, made their peace with the Communists, even as many individual priests and believers were driven underground.

They were allowed to oversee the church and travel abroad in return for echoing the Soviet line on religious "freedom" and foreign policy.

Still, with Russia in search of a new national identity, Russian Orthodoxy has emerged as a symbol of continuity with the country's pre-Communist past. But which brand of Orthodoxy should be allowed to flourish has become a burning question.

The dispute erupted abroad earlier this year when the Russian Orthodox Church persuaded Yasser Arafat, head of the Palestinian Authority, to evict expatriate Orthodox monks and nuns from the only Christian church in the West Bank town of Hebron and to give control to the Moscow Patriarchate.

BRIEFLY

Holbrooke Talks With Turks

ANKARA — A U.S. mediator opened talks on Cyprus here Monday amid heightened tension between Turkey and Greece.

The mediator, Richard Holbrooke, making his first trip to Turkey since President Bill Clinton named him in June to be the special envoy for Cyprus, said he came to listen to Ankara's views.

"This is not a negotiating trip," Mr. Holbrooke said after his meeting with Prime Minister Mesut Yilmaz. "I didn't come here with proposals."

He added: "Nobody should be under the impression that any kind of breakthrough is imminent."

Greek and Turkish warplanes confronted each other over Cyprus on Sunday, just as the United States had been trying to persuade both sides to halt all military flights over the island. *(AP)*

French Appeal Papon Release

BORDEAUX, France — Prosecutors appealed to France's highest court Monday to reverse the release from prison of Maurice Papon, the former Vichy official who is on trial for crimes against humanity.

The families of people Mr. Papon is charged with sending to Nazi death camps during World War II were outraged by the court's decision Friday to allow him to stay out of prison during the trial and, if convicted, the years-long appeals process.

The Bordeaux prosecutors' appeal of that decision to the Cour de Cassation — the nation's highest court — will not be heard until the trial is over, an official said.

The court had said that Mr. Papon's age, 87, and his health justified his release. A former police official in the pro-Nazi Vichy regime, Mr. Papon is charged with ordering the deportation of 1,690 Jews, including 223 children, to Nazi death camps. *(AP)*

Arrest in Journalist's Killing

AMSTERDAM — An Irishman arrested here Friday on suspicions he was involved in the murder of a Dublin journalist will appear in court Tuesday, the public prosecutor said.

Veronica Guerin, a writer for the Sunday Independent in Dublin, was killed in June last year. She had been investigating the city's criminal gangs.

In a private hearing, a judge will decide whether the 31-year-old man, referred to only by the initials B. M., can be detained for up to 20 days while the Irish government makes a formal request for his extradition. *(Reuters)*

Lockerbie Face-Off at Hague

THE HAGUE — Britain faced Libya at the International Court of Justice on Monday and renewed its demand that Tripoli hand over two men London and Washington have accused of blowing up a U.S passenger plane over Lockerbie, Scotland, nine years ago, saying it would guarantee them a fair trial.

Pan American World Airways Flight 103 exploded in December 1988, killing 259 people on board and 11 others on the ground. Britain and the United States blamed Libya and, backed by United Nations sanctions, demanded the extradition of the two suspects.

Tripoli has insisted instead on a trial in Libya or a neutral, third country.

Lord Hardie, Scotland's senior legal officer, proposed a trial on Scottish soil before impartial observers. International monitors would receive access to the accused during their time in Scottish custody, he pledged.

The Libyans did not respond to the proposal directly, but, in a statement circulated outside the court, accused London and Washington of intransigence. *(Reuters)*

Centrists Asked in Oslo To Form a Government

Agence France-Presse

OSLO — King Harald V of Norway called Monday for the leader of a centrist coalition, Kjell Magne Bondevik, to form a new government after the Labor prime minister, Thorbjoern Jagland, submitted his resignation.

Mr. Bondevik said he accepted the king's request.

"I said yes, and a new government will have the parliamentary basis of the Christian People's Party, the Liberals and the Center party," he said as he left the palace.

Mr. Jagland submitted his resignation to the king earlier in the day, a month after failing to win a minimum 36.9 percent of the votes in the Sept. 15 election. He had stipulated he wanted at least this percentage to stay in office.

He waited until Monday to resign to enable his government to present the budget for 1998.

Labor remains the largest party in the country. It won 35 percent of the votes and 65 seats in the 165-seat Storting in the September election. The centrist coalition won 26.1 percent and holds 42 seats in Parliament.

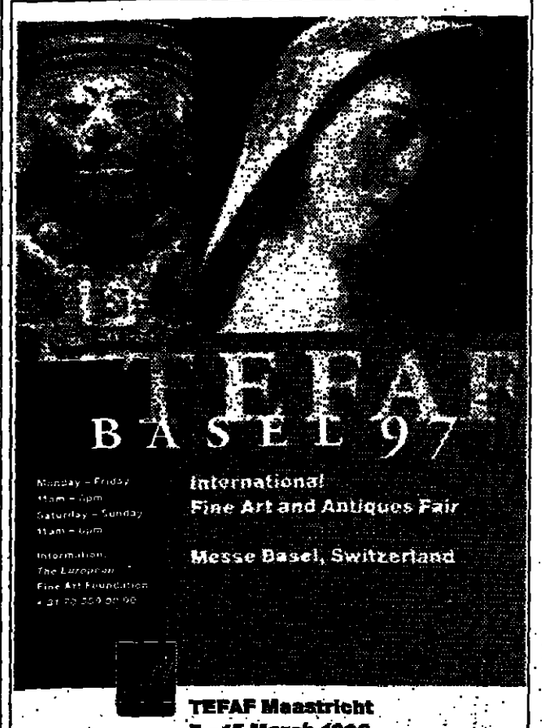
"The autumn election result did not give the government a strong political or parliamentary foundation," Mr. Jagland said in his letter.

"It is thus natural that those parties that called for Labor's resignation and a change of policy during the election campaign take the consequences of this, and look into forming a new government. I therefore allow myself to submit the government's resignation."

Mr. Jagland, who succeeded the immensely popular Gro Harlem Brundtland when she stepped down in October 1996 after 10 years at the helm, was plagued by party scandals and failures during his year in office.

The Labor leader since 1992, Mr. Jagland was long Mrs. Brundtland's protégé. She timed her resignation to give Mr. Jagland a year to gain support and experience before the election.

Labor had a hard time winning support because of its tight spending policy, despite oil income from North Sea fields.



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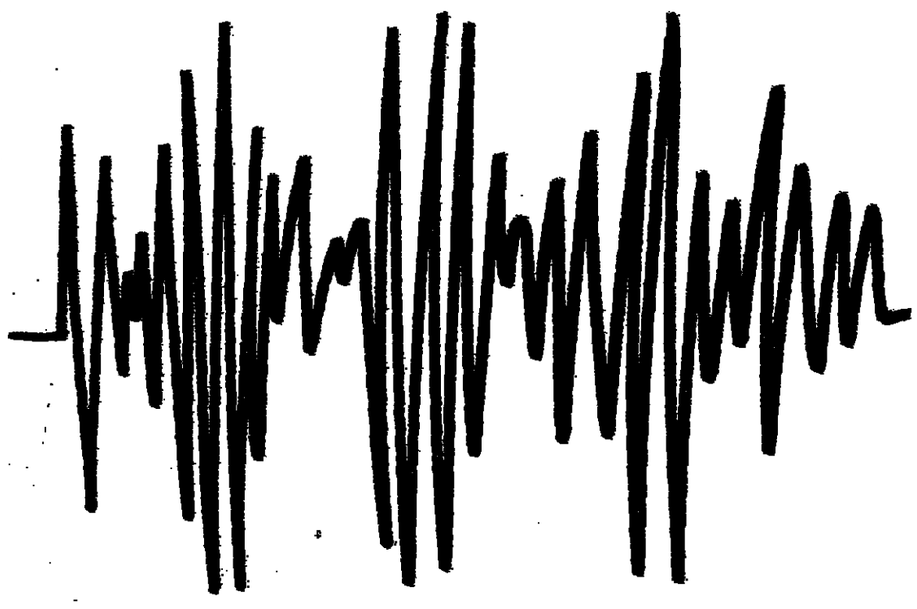

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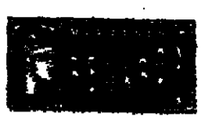

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U.S. Sends Fire Fighters to Indonesia

3 Cargo Planes and Crew of 60 Join International Effort

By Brian Knowlton
International Herald Tribune

WASHINGTON — Three big U.S. cargo planes carrying fire-fighting equipment left their base in Wyoming on Monday en route to Indonesia to join an international effort to fight forest fires, which the Jakarta government said were continuing to spread.

The three C-130H airplanes, attached to the Wyoming Air National Guard, are part of a much broader U.S. effort announced Friday to help slow the vast fires that have left a choking haze over large parts of Southeast Asia.

The haze spread again Monday, the Indonesian government announced, with dry weather returning to the area. In Singapore, the government issued a health alert.

The number of suspected fires in Indonesia, many believed to have been set by landowners clearing forests, rose from 40 over the weekend to 62, officials said.

The State Department, responding to a request from the Indonesian government, has marshaled a range of assistance drawing on expertise, equipment and supplies from nine U.S. government agencies.

American scientists, health and environmental specialists, and the crews of the fire-fighting planes will join teams from other countries already in place. Australia and Malaysia have provided planes, and Russia, Canada, France, Japan, Britain and other countries have offered manpower, cash, planes or equipment.

Some residents in the affected regions have complained that the international community has been slow to respond to the crisis. The haze not only has made thousands of people sick, but has also led to dozens of airport closings and flight cancellations, contributed to fatal ship collisions, and may have played a role in the Sept. 26 crash of a jetliner in Sumatra, which killed 234 people.

On Friday, the State Department said that the undersecretary of state for global affairs, Timothy Wirth, had met with the ambassadors of Indonesia, Brunei, Singapore, the Philippines and Thailand to discuss ways to combat the fires and alleviate their effects.

The U.S. agencies involved in the effort will range from the National Aeronautics and Space Administration, which will make satellite images available and take samples of smoke plumes, to the Centers for Disease Control, which will study haze-related health problems, to the U.S. Forest Service, which owns the fire-fighting equipment on the C-130Hs.

Those planes drop 3,000-gallon loads of fire-retardant chemicals to form firebreaks, said David Troyanek, a spokesman for the Wyoming Military Department. A plane can drop its load, return to base to reload, and be back over the fire scene in as little as 12 minutes, he said.

Mr. Troyanek said he did not know where in Indonesia the planes, which carry a total of 60 crew members and support personnel, would be based. He said it was their first fire-fighting mission outside the United States.

The overall cost of the U.S. assistance is not yet clear, the State Department said Friday.

Agence France-Presse

ANTI-U.S. PROTEST — Riot police at the U.S. Embassy in Seoul struggling Monday with farmers angry about alleged trade pressures and exports to South Korea of beef contaminated with E. coli bacteria.

South Korea Picks a Missile Built by the French, Not U.S.

Compiled by Our Staff From Dispatches

SEOUL — In a rare rebuff to the United States, South Korea's Defense Ministry said Monday that it would buy France's Mistral short-range air-defense missiles instead of American-made Stingers.

"The Defense Ministry has reached a final decision to buy the French Mistral after assessing other competitors such as the U.S. Stinger and the British Starburst," a ministry statement said.

The French missiles will be shipped over a period of two years from early 1998 to enhance South Korea's missile program, a ministry spokesman said.

"Our decision was based on in-depth comparison between Mistral and other contenders and their operability with our systems," he said.

He did not elaborate on what had prompted South Korea to reject the Stinger missiles.

The ministry did not give the value of the deal, but a French industry source here said it involved 1,294 missiles at a cost of some 1.8 billion francs ($306.6 million).

The source described the contract, the third for the lightweight, portable anti-aircraft weapons since 1990, as "a very important success" for the manufacturer, Matra BAe Dynamics, and for France.

He added the contract involved technology transfers in helping South Korea develop its own missile systems, and repeated a Defense Ministry comment that delivery time, ease of training and cost effectiveness had all been important factors in the deal.

The decision to buy the Mistrals appeared to underline Seoul's move to diversify its military hardware from its traditional source, the United States, and buy weapons from Europe or Russia, which have lured South Korea with technology transfers and competitive prices.

South Korea has been heavily reliant on American training, logistics and technology since the 1950-53 Korean War. U.S. weapons top Seoul's shopping list because of their compatibility with South Korean hardware and with equipment used by the 37,000 American troops here. *(AFP, AP)*

Vietnam Arrests Newspaper Editor

Compiled by Our Staff From Dispatches

HANOI — A journalist who was investigating government corruption in Vietnam has been arrested and charged with revealing state secrets, his publisher said Monday.

Nguyen Hoang Linh, editor of Enterprise, a state-run business newspaper, was arrested last week by Interior Ministry investigators, according to government officials quoted by the state-controlled newspaper Youth. The charges were not detailed.

A representative of Enterprise's publisher, the Union of Cooperatives, confirmed that Mr. Linh had been arrested.

Mr. Linh was charged in connection with a series of reports earlier this year that explored the purchase of four speedboats from Ukraine by Vietnam's customs agency. In the series, Mr. Linh alleged that the purchase of the boats was illegal.

The customs agency is considered a paramilitary organization and under government regulations, military and state security information is classified. *(AP, Reuters)*

SON: *3 Years for Bribery and Tax Evasion*

Continued from Page 1

dict Kim Hyun Chul for accepting kickbacks in exchange for political benefits.

One company, for example, was said to have paid $1.9 million to Mr. Kim in exchange for help getting a cable television license.

The younger Mr. Kim, a 38-year-old adviser to his father, did not make any comment after the sentencing, but his lawyers said they would appeal. They acknowledged that he accepted money from business executives — more than $6 million — but denied that the money was in the form of bribes.

President Kim, who has been severely hurt politically by the scandal, did not make any statement. He is said to be crushed by what has happened to his son, with whom he is very close.

The court also ordered Mr. Kim to pay a fine of $1.6 million, but the penalties could have been harsher, for the prosecution had asked last month for a seven-year sentence.

But the court, while scolding Mr. Kim for failing in his responsibilities as the son of a president, said in a statement that there had been no premeditated attempt to evade taxes.

"Some members of the public view this as a political trial or a trial of public opinion," said the chief judge, Sohn Ji Yeol. "But we have adhered strictly to the law in carrying out this trial."

The sentence, did not stir up much political debate in Seoul, partly because President Kim's term ends early next year and he is barred by law from running again. He has been severely weakened by the scandal, and the nation is now focusing on the campaign to choose a new president in December.

The candidate leading all the polls has been Kim Dae Jung, a long-time dissident who is regarded with horror by many in the government. But last week the president's governing New Korea Party abruptly charged that Kim Dae Jung had secretly maintained a political slush fund in the bank accounts of his relatives.

The party suggested that Kim Dae Jung had received almost $15 million from business tycoons in the early 1990's and that he had illegally shuffled the money among bank accounts belonging to his relatives.

"As a result, state prosecutors should investigate this matter," said a party spokesman, Lee Sa Chul. The party also said that the same laws that applied to the president's son should be applied to Kim Dae Jung.

Kim Dae Jung responded Monday by calling for a meeting with President Kim to discuss the matter. He said at a press conference that he had accepted money from business figures but never in any way that was dishonest.

"As an opposition politician, I have received economic help from business figures, but there was no money given as payment for a favor," he said. "I have not hidden any money whatsoever in bank accounts belonging to my relatives."

Much of the public seems prepared to believe the worst of any politician, and many therefore may accept the accusations against Kim Dae Jung as credible.

But many also suspect that the governing party obtained damaging information about the bank accounts from government departments, particularly the tax and intelligence agencies, in an attempt to use government power to sway an election.

The latest polls still show Kim Dae Jung well in the lead, and one even showed that he had slightly increased his margin since the accusations were made.

BRIEFLY

Defense Spending Up 7% in East Asia

LONDON — Asian countries are increasing defense spending at a time when much of the world is cutting back, even though China, the region's biggest power, poses no short-term military threat, a study published Tuesday said.

"The Military Balance," the annual report of the International Institute for Strategic Studies, said defense spending in East Asia increased in real terms by about 7 percent in 1994-96.

"East Asia is the second-largest regional arms market after the Middle East," the report said. "Unless persistent economic recession takes hold, the region looks set to retain this position over the coming years."

Those words were written before recent turmoil in Southeast Asian financial markets, which is expected to slow economic growth in the region. The survey, regarded as an authoritative independent reference work on defense, said China was working to modernize its strategic and conventional weapons, particularly missiles, but was a decade behind Western powers technologically. *(Reuters)*

Alleged Slur Mars Queen's India Visit

NEW DELHI — Cannons boomed in salute here Monday to welcome Queen Elizabeth II of Britain in a visit marred by diplomatic misunderstanding even before it began.

At issue were reports that the Indian prime minister had called Britain "a third-rate power" for allegedly seeking to mediate in the long-running dispute between India and Pakistan over Kashmir. New Delhi denied the reports.

The queen, who arrived here Sunday night from neighboring Pakistan, was officially welcomed in ceremonies at the presidential palace. *(AP)*

Taleban Executes 4 Of Its Own Fighters

KABUL — Afghanistan's Taleban Islamic militia strung up the bodies of four of its fighters executed for treason at two road crossings in Kabul on Monday to serve as a warning to others, witnesses said.

Taleban fighters said the four young men, apparently all in their 20s, had been executed on a front line north of Kabul for accepting bribes from the opposition commander, Ahmed Shah Masoud, and for killing their colleagues.

"They are those criminal people who had martyred our mujahidin in return for money from Masoud," said a note hanging between two bodies at one crossing.

The identities of the four men were not clear. *(Reuters)*

ROOTS: *U.S. Governor Gets Hero's Welcome in Chinese Village*

Continued from Page 1

A villager who is distantly related to the governor was barely able to contain his glee.

"He is our pride and our joy," the relative said through an interpreter. "He may be American, but his source is here in China."

Mr. Locke, whose political climb has become a symbol of Asian-American success in the United States, said he had always dreamed of returning to his roots in this farming community of 47 families with no running water and little contact with the rest of the world.

When he arrived, Mr. Locke said, he was moved by the warm reception but also troubled by what he saw.

"It's amazing to think that someone ever lived here, in these conditions, and they still do," he said. "They have no toilets, no running water. The gutters on the side of the walkways — they cleaned them for us today — normally they're filled with garbage and human waste. It's clear not everyone is rich and living in the new, wealthy China."

Mr. Locke's sentimental pilgrimage came last Saturday, the final day of an official trade mission to China. From a meeting with President Jiang Zemin to cocktails with James Sasser, the U.S. ambassador, Governor Locke was lauded for his achievements and his rise from a childhood in Seattle public housing to chief executive of the state.

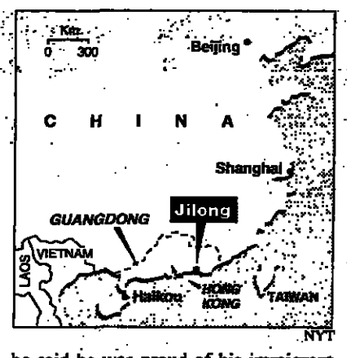
Although he came here seeking a personal connection, most of Mr. Locke's efforts for private moments failed. Hundreds of journalists, primarily from China and Hong Kong, mobbed the governor while he navigated the village's narrow alleyways.

Police escorts responded aggressively, shoving reporters up against a brick wall and knocking down children who had come to welcome the governor. But the crush of reporters did not seem to bother the thousands of villagers, local party officials or Mr. Locke, as he and his wife, Mona, poked their heads out the sun roof of a stretch limousine.

Local and state government officials, each wanting to claim the famous American politician of Chinese descent as one of their own, had labored furiously to prepare for the visit.

Communist Party leaders in Shuibu, the nearest town, installed a new indoor toilet in a two-room home of Mr. Locke's great-uncle. They also paid for new electric lights, a new road from Shuibu to Jilong and rewiring in the local kindergarten, where Mr. Locke shook hands with 4-year-olds in bunny and bear masks. But no amount of preparation could prevent the near riot that started the minute Mr. Locke arrived after a four-hour hydrofoil ride from Hong Kong.

At a luncheon where Mr. Locke feasted on garlic-sprinkled lobster, shark's fin soup and yellow watermelon, he said he was proud of his immigrant past — his great-grandfather who labored on the American railroads, his grandfather who worked as a house boy in Olympia, the Washington capital, less than a couple kilometers from the governor's mansion, and his father, who served in the U.S. Army in World War II, and then ran a restaurant in Seattle, where Mr. Locke was born.



NYT

KOREA: *An Inflexible North and a South Focused on an Approaching Election Leave the U.S. Pessimistic*

Continued from Page 1

replace the temporary armistice that ended the 1950-53 Korean War.

Some administration officials had hoped for an early agreement on such measures as setting up a hot line among North and South Korea and the United States for communicating in a crisis, exchanging visits by military officers and providing advance notice of all military maneuvers. The goal was to help pave the way for eventual reunification of the two nations.

All four nations attended two preparatory meetings, but the process was suspended indefinitely after the North insisted that the negotiators agree to discuss the future withdrawal of U.S. military forces from the South, and demanded that South Korea and the United States first promise in writing to lift economic sanctions and to provide a million tons of food aid over the next year.

Washington refused those conditions. But the United States has already sent 177,000 tons of food aid this year and pledged to provide more if asked by the United Nations World Food Program. The South Korean government has provided 97,000 tons of food, and China has provided an estimated 150,000 tons.

The aid has helped alleviate famine conditions and, together with a modest harvest of summer grains and vegetables under way, should stave off a new crisis until next spring, several U.S. officials said. But the U.S. Agency for International Development has concluded — as has the United Nations — that North Korea will still need to import as much as 2.5 million tons of grain next year to meet its minimal requirements.

"The food situation right now is not so bad," said a senior U.S. official who returned recently from a visit to North Korea. But the official predicted that there would be "wave after wave" of shortages because the government has little interest in making substantial agricultural reforms.

Other officials also said that military analysts were slightly less worried for now that the North might heighten tensions to gain leverage in the negotiations.

But since there are continuing military risks, "there is no interest," a top official said, "anywhere in the U.S. government, in pulling back and letting them implode or explode." He added, however, that Washington considers a delay in the peace talks acceptable partly because the declining North Korean economy is seen as working to U.S. advantage — forcing the North to take economic reform more seriously.

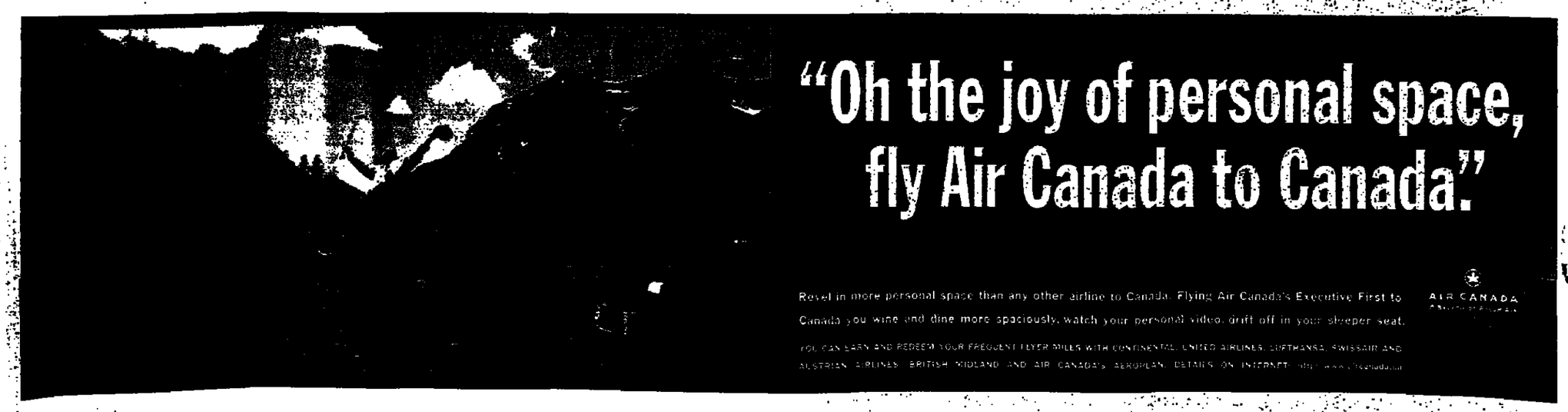
The administration's growing distance from President Kim's party, meanwhile, differs from the posture it took in late 1995, when a senior State Department official confidentially assured Mr. Kim's government that the department would "take domestic South Korean political concerns into account" in deciding when to open a diplomatic office in the North Korean capital, according to a classified U.S. cable summarizing the conversation.

Since then, however, U.S. officials have been disappointed by what they see as President Kim's decision to exaggerate the significance of a September 1996 North Korean submarine incursion, by his embrace of alarmist claims emanating from his government's intelligence service that the North was preparing for war and by his refusal to authorize business deals in the North by eager South Korean corporations.

Officially, the Clinton administration has maintained a neutral stance in the forthcoming elections, repeatedly rebuffing requests by both President Kim's anointed successor, Lee Hoi Chang, and Kim Dae Jung, the opposition candidate, to gain support at home by meeting with Mr. Clinton at the White House.

Kim Dae Jung, 73, a longtime democracy advocate, has urged Washington to broker a summit meeting between North and South Korean leaders.

He also has promised to take the initiative to forge better relations with the North away from Washington, a move many U.S. officials say is necessary to make substantial progress.



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BRIEFLY

Defense Spending Up

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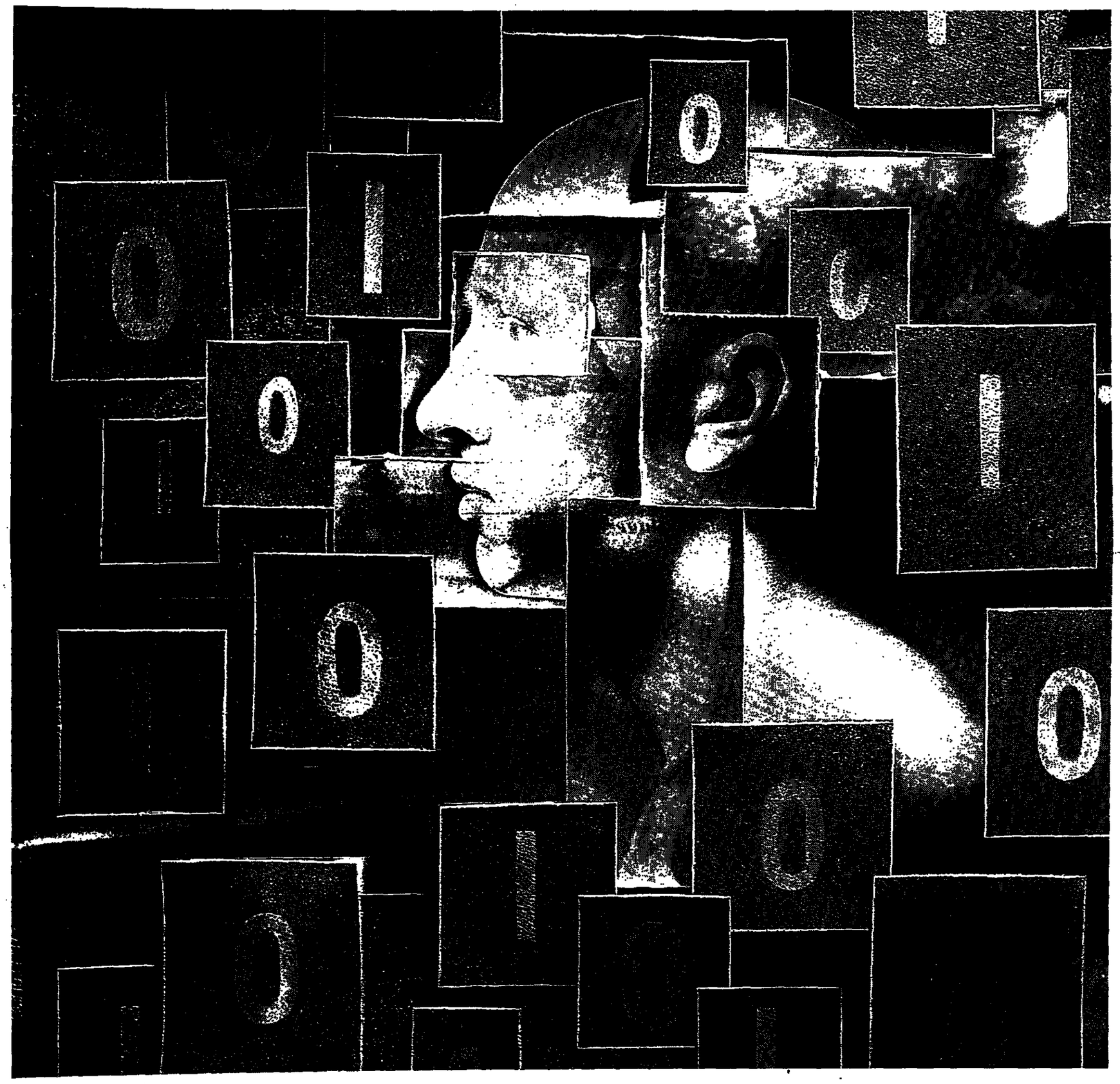

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Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Keep Up Nuclear Cuts

Nearly a decade after the end of the Cold War, some 30,000 nuclear warheads are still available for use around the world, each with devastating destructive power. Future generations may someday look back at the failure to reduce that total more rapidly as the greatest blunder of the 1990s.

More than 10,000 warheads remain in Russia, where nuclear security has eroded and underpaid scientists and security guards may be tempted to smuggle weapons for profit to countries like Iran or Libya or to criminal gangs or terrorists. That Moscow no longer has its missiles aimed at the United States is deceptively reassuring. Targets can be changed in minutes.

Given the dangers, President Bill Clinton should urgently re-energize negotiations on drastic further reductions in warheads, building on the substantial achievements of his two Republican predecessors. The treaties that Ronald Reagan and George Bush signed with Mikhail Gorbachev and Boris Yeltsin, even though the last of them has yet to be ratified by the Russian Parliament, have cut nuclear arsenals nearly in half. But since 1993 the drive has gone out of nuclear weapons reduction.

The three modest agreements reached by Mr. Clinton and Mr. Yeltsin in Helsinki last winter only underscore the loss of negotiating momentum. The two sides agreed to relax the restrictions of a 1972 treaty limiting defensive missiles and to delay the deadlines for dismantling Russian nuclear warheads set in the 1992 Bush-Yeltsin treaty. They also set modest goals for a new round of reductions in negotiations not scheduled to begin anytime soon.

What is needed is not the bending of old treaties but immediate efforts to negotiate new and deeper cuts. Mr. Clinton and Congress insist on waiting until Russia ratifies the 1992 treaty before beginning negotiations on the next steps. In contrast, almost immediately after the signing of the first arms reduction treaty, Mr. Bush and Mr. Yeltsin got to work on the second one.

Washington should begin negotiations on a third treaty now, aiming for limits as low as 1,000 warheads on each side, not the 2,000 agreed at Helsinki. Commitments to sharp additional cuts could speed Russian ratification of the 1992 treaty by sparing Moscow the cost of building new single-warhead missiles to conform to the 1992 limits.

Meanwhile, Washington should seek agreement to move most of both sides' warheads off alert. Stansfield Turner, a former director of central intelligence, suggests that each side physically separate a large proportion of its nuclear warheads from the missiles that would deliver them and post observers at each other's storage sites. That would lessen the risks of accidental launch, and, in a crisis, give diplomats time to work.

In Russia, where conventional forces are weak and anxiety is rising about NATO's planned eastward expansion, politicians once again talk of nuclear weapons as a vital line of defense and the last vestige of Russia's global power. In America, both Congress and the administration talk of preparing to rebuild nuclear arsenals if Russia's Parliament fails to ratify the 1992 treaty. The peaceful dividends that have come with the end of the Cold War may look meager in the years ahead if the danger of nuclear disaster is not more effectively contained.

— THE NEW YORK TIMES.

Bizarre North Korea

Recently, North Korean officials suspended the work of an international consortium building a nuclear reactor in their country. The cause of the brief suspension: A photograph of North Korean dictator Kim Jong Il had been found torn and discarded in a wastebasket — this in a nation in which even folding such a photograph is regarded as a desecration. Given this cult of personality, it should not have been surprising that when Kim Jong Il assumed the title last week of general secretary of the Workers Party of Korea, thousands of his subjects were said to have taken to the streets in spasms of spontaneous celebration.

The bizarre ways of isolated North Korea might be nothing but a source of wonder or amusement to Americans but for two factors. One is the simple moral shame of the suffering of North Korea's 20 million people. They live in what is often referred to as the last Stalinist dictatorship (although Fidel Castro's seven-hour speech last week to a Cuban Communist Party congress reminds us that there is one other contender at least). They are cut off from outsiders (even from relatives in South Korea) and from anything but North Korean propaganda. Untold thousands are starving, thanks to the failed agricultural and economic policies of the past five decades.

In addition, North Korea, with a million-man army and a habit of bellicose rhetoric, continues to pose a threat to a U.S. ally, South Korea, and to U.S. troops based there. Hunger, economic collapse, political instability or military miscalculation could prompt the North Korean regime to attack.

So the leadership succession is of more than academic interest. Kim Il Sung, the nation's longtime ruler and self-styled "Great Leader," died in 1994. While it had been assumed that Kim Jong Il, his son and appointed "Dear Leader," had taken power, until this month he had not assumed his father's titles. Now he is general secretary, and Pyongyang-watchers expect him eventually to assume the presidency, too, establishing the first family dynasty in the Communist world.

Although U.S. and South Korean officials have expressed hope that Kim Jong Il now would lead his nation on a more conciliatory path, nothing in his record to date gives any reason for optimism. Indeed, the thou[illegible]s of (hungry) Koreans reportedly [illegible]orating his anointing serve as a re[illegible]er of what a narrow piece of the world North Koreans have been allowed to view — and of what a challenge unification will pose, whenever it comes.

— THE WASHINGTON POST.

Endangered Treasures

The string of earthquakes that destroyed people and masterpieces in Italy's Assisi region recently is a melancholy reminder that, left to themselves, significant monuments to past artistic effort and achievement mostly deteriorate or get knocked down — whether due to destructive forces such as wars and earthquakes or modern threats such as pollution. What survives may seem gorgeous or immune to the passage of time, but that survival is generally the exception.

The Assisi basilica, a beloved pilgrimage site associated with St. Francis, ceased to be such an exception when quakes punched the area three times starting in late September, cracking the structure, then bringing it partly down and shattering a series of 13th-century frescoes.

The quakes' aftermath spread havoc through the area and kept people from their homes, although nothing has matched the violence of the second quake, which killed two officials and two Franciscan friars who had been inspecting the damage that the first quake caused to the basilica. Eventually authorities explained that at least some of the frescoes were gone for good.

Although not as awash in ancient things and structures as Europeans, Americans have the same difficulty focusing on the notion that their heritage sometimes can crumble. Preservation is always an uphill campaign. The Library of Congress needed years to muster support for its initiative to preserve texts printed on aging paper; film preservers have had similar difficulties. And of course no degree of sensitivity to cultural heritage, or appreciation of it, can guarantee that it will beat the odds and survive. Just ask the protectors of the lovingly preserved historic neighborhood architecture of Charleston, South Carolina, which was battered by a hurricane a few years back.

It is easy to fall into thinking of history and the historical record as set, finished things over which to wage scholarly or political arguments. But just as things always are being found and added to the historical record and heritage, it is equally and sadly true that portions of that heritage also are being lost and taken away. Umbria's troubles are a reminder of that sad fact.

— THE WASHINGTON POST.

Herald INTERNATIONAL Tribune

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Directeur de la Publication: Richard McClean

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Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 119800. Tel. (65) 472-7768. Fax: (65) 274-2334 Mng. Dir. Asia, Rolf D. Kruenpuhl, 50 Gloucester Rd., Hong Kong. Tel. 852-2922-1188. Fax: 852-2922-1100 Gen. Mgr. Germany: T. Schlüter, Friedrichstr. 15, 60323 Frankfurt/M. Tel. +49 69/97 1250-0. Fax: +49 69/97 1250-20 Pres. U.S., Michael Cuneo, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Fax: (212) 755-8785 U.K. Advertising Office: 63 Long Acre, London WC2. Tel. (171) 836-4802. Fax: (171) 240-2254 S.A.S. au capital de 1 200 000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

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Along With the Euro, a Fresh Political Agenda

By Valéry Giscard d'Estaing and Helmut Schmidt

PARIS — The markets are justified in believing that European monetary union will come into force on schedule on Jan. 1, 1999.

At their recent meeting in Weimar, Helmut Kohl and the two French leaders, Jacques Chirac and Lionel Jospin, solemnly pledged to respect that date. Since the German and French economies are in an obvious situation of convergence with the necessary criteria, adoption of the European currency can be considered a certainty.

The debate on the criteria of convergence has been helpful in emphasizing the absolute necessity of sound public finances. We all must support the efforts and honor the sacrifices achieved to this end. But this debate, which occasionally drifted into childish minutiae, diverted attention from more fundamental issues.

What is at stake is not only adopting the euro but also making it a success. It can be done by building a stable currency, well received by the people and the businesses concerned, that is irrevocably the only currency of the member states of monetary union.

To make this work, it is essential to reassure German opinion. The German people have been bankrupted twice in this century by monetary upheavals, at the end of World War I and then again after World War II. Germans' confidence has been built on the remarkable strength of the Deutsche mark. Consequently, they can be asked to exchange it only against a currency that offers the same guarantee of strength.

Thanks to the legal and political independence of the European central bank, German public opinion should be assured that such strength will indeed be achieved.

Together the French and the German GNPs account for a strong majority of the monetary union's GNP, or around 60 percent. At this writing, the inflation rate and the long-term interest rates are lower in France than in Germany. The conditions of monetary stability are therefore met.

The objections raised by France about the "stability pact" have been inopportune in the sense that they led German public opinion to question French resolve for irrevocable commitment to monetary stability. Henceforth, we believe it would be useful for the German and French leaders to adopt a consistent, mutual commitment to the stability of the euro.

Past devaluations and revaluations have been important means of adjustment and correction of the differences between European states. Such means will disappear with the adoption of the single currency. In the absence of modifications of exchange rates, adjustments will then take the shape of economic and social tensions, dislocations, movements of people and different unemployment rates.

Obviously, these tensions will have to be kept within bearable limits. In choosing the participating states, acceptance should thus be based not only on the formal respect of arithmetical criteria but also on the will and ability of participating states to pursue economic and social policies similar enough to avoid the emergence of tensions that could shatter the whole system.

On the other hand, common monetary policies and the single currency will automatically lead to greater economic integration and less divergence in business cycles.

In the longer run, success of the single currency will depend on further political progress. Without such improvement, changes of governments, always possible in one or the other state, could challenge the solidity of the union.

The European central bank must clearly be independent. We have asserted that from the beginning. But this does not mean that it may be cut off from any economic and social surroundings. There is a difference receiving orders from governments and explaining reasons and the fundamentals of the central bank's monetary choices.

The example of the United States is worth noting here. The Federal Reserve System is independent, but it is neither isolated nor mute. The statutes of the European central bank provide that its president and vice president shall have the authority and skill to mobilize consensus among the relevant constituencies around monetary policy.

The form of "further political progress" in the European integration process has yet to be decided upon. One could have expected it from the Amsterdam treaty, but the participants were not able to agree on reforms.

One must never forget that monetary union, which the two of us were the first to propose more than a decade ago, is ultimately a political project. It aims to give a new impulse to the historic movement toward union of the European states. Monetary union is a federative project that needs to be accompanied and followed by other steps. It was never meant to remain an isolated islet in the midst of the whirlwind of national interests.

Additional steps beyond those already agreed upon by the member states of the European Union can most efficiently be discussed among those states who have decided to fully play the game of monetary union.

That is why we advise that the German and French leaders take the initiative in convening a conference of the member states of monetary union, including the president of the European Commission, as soon as the list of participants has been drawn up, to decide what political steps will have to be agreed upon to accompany the launching of the single European currency.

Mr. Giscard d'Estaing, the former French president, and Mr. Schmidt, the former West German chancellor, are co-chairmen of the Committee for the Monetary Union of Europe. They contributed this comment to the Global Viewpoint service of the Los Angeles Times Syndicate.

Monetary Union Has Always Been Mainly About Politics

By Michael Elliott

NEW YORK — Here is some surprising news: The Italian government fell last week. No, honestly, it is surprising. The administration of Prime Minister Romano Prodi had brought what seemed like an almost Germanic stability to Italy. Germanic rectitude, too; with an inflation rate of less than 2 percent and a budget deficit forecast to be just 3 percent in 1997, Italy had done as good a job as any other country at forcing its economy into the straitjacket mandated by the Maastricht treaty for those who want to be in the first wave of monetary union.

Mr. Prodi's government fell because the unreconstructed Refounded Communists could not accept the latest round of budget austerity. Cue for the usual reaction. Maastricht imposed deflationary economic policies on nations that were in near recession, and demanded that governments reduce the entitlements to which Europeans had become accustomed. This was politically unsustainable. Sooner or later, electorates would rebel and EMU would be added to the list of initiatives that never came to fruition. Mr. Prodi's fall, on this analysis, is the first breach in the dike.

That is what I would have said in 1996. Not now. It is unlikely that last week's events in Italy add up to anything of significance. Any conceivable successor government will be just as firmly committed to the Maastricht criteria.

The bigger indication of the current European mind-set came on the same day that Mr. Prodi fell, when the Bundesbank raised interest rates — and the French, Dutch, Belgian and Danish central banks marched in lockstep behind it. That was the clearest possible signal that European institutions intend EMU to proceed as planned in 1999, with an independent central bank setting interest rates.

If economic policy were made solely on economic criteria, the rate increases would have made no sense. Or at least they would not have made sense for everyone. You can just about make a case that German data on prices and growth suggest that it was time for the Bundesbank to end its long cheap-money policy and nip nascent inflation in the bud. But you would have to be awfully optimistic to believe that French recovery is so firmly based that more expensive credit is necessary right now.

Such doubts, however, are irrelevant to the case. Everyone accepts that a single currency will reduce the transaction costs of doing business in Europe and increase true cross-border competition. But EMU has always been principally about politics, about finding a way to bind Europeans closer together until something like a United States of Europe comes into being.

In the late 1980s EMU's architects made an implicit bet. Their gamble was that although electorates might not much like giving up their national currencies, they disliked more the prospect of a Europe that was not becoming integrated, politically as well as economically. So far they have won the bet handsomely. Barring some-thing astonishing in German politics in 1998, forget grumbles and opinion polls; EMU is going to happen.

And what then? Already there are mutterings from Paris and Brussels that, in the wake of EMU, corporate-tax policies will have to be harmonized so that all countries compete for inward investment on a level playing field. The commission in Brussels has adopted a Europewide employment policy, with the details of implementation left to individual EU states. It flies in the face of everything known about the EU's history to think that monetary union will be the end of the line and that no further political integration is likely.

What form such integration might take, what areas it encompasses, how electorates react — all this is up for grabs. The key thing is to appreciate that when EMU happens, the debate over the future political shape of Europe will not have ended. It will have begun.

This has been adapted from a longer article in Newsweek.

An Opportunity for Iran, and Necessary Pain for Some Others

By Thomas L. Friedman

WASHINGTON — The French oil company Total, the Russian company Gazprom and the Malaysian company Petronas recently signed a $2 billion contract with Iran to explore its South Pars offshore gas field. The deal, strongly endorsed by the French, Malaysian and Russian governments, is a direct challenge to the U.S. law that orders sanctions on any companies that do big energy business with Iran. Here is my guess at what Madeleine Albright and Bill Clinton are saying to each other.

Clinton: "What a mess. France, Russia and Malaysia all together in one deal to stick a finger in my eye. Jacques Chirac just won't forgive me for not giving France that southern command of NATO, and he's using this to get his revenge. Jacques Chirac — that guy is the Janet Reno of diplomacy. With allies like him, who needs enemies?"

Albright: "Sure, what does France care? Iranian terrorists aren't attacking their troops in Saudi Arabia. They don't threaten Russians or Malaysians. What I'd really love to do is sell Iran some long-range missiles with the targeting already programmed to hit Paris, Moscow and Kuala Lumpur. Then we could say to ol' Jacques: 'Hey, Jacques, it's just business, you know, nothing personal. We're just trying to make a few bucks, and by the way, we're still out of Iran's missile range and you're not anymore. But we'll hold your coat while you do something about it.' "

Clinton: "That would make my day. But we can't. So what do we do? If we impose the sanctions on these oil companies, their governments will just sanction our companies, and we'll be in a trade war. But if we waive the sanctions, Al D'Amato will scream that we're wimps. On top of that, Mobil and Conoco, which I barred from doing business in Iran, are going to demand whatever we give the French or Russian oil companies."

Albright: "Let's face it, our Iran policy is coming apart. We need an adjustment. Here's what I'm thinking.

"First, we have to impose our sanctions on Total, Gazprom and Petronas, even though none of them has much business in the United States to sanction. They have to feel our pain. We would have no credibility if we didn't.

"But we also won't have any credibility if we don't test whether this new president of Iran, Mohammed Khatami, who was elected by a landslide precisely because the Iranian public thought he would be a moderate, can forge a different relationship with us. Some people say Khatami is just a puppet, and the bad guys are still in charge. Some say he's for real.

"Let's find out. Let's sanction the oil companies but announce at the same time that we will review the sanctions in six months. We'll watch to see if there is any change in Iran's hostile behavior. If there is, we will consider waiving the sanctions. This way we give the Europeans, Iran and the oil companies an incentive to show that Iran is changing, and we also show we are serious about responding to change."

Clinton: "Do you think the Iranians saw the signal you sent Wednesday?"

Albright: "The U.S. press missed it, but the Iranians won't. When the State Department issued its list Wednesday of 'foreign terrorist organizations' that Americans cannot support, you can bet the first thing the Iranians did was look for their own groups. Imagine their surprise when they saw that I also put on the list the Iraqi-based anti-Iranian terrorist group Mujahidin Khalq.

"The Iranians will get the point. We've just made it illegal for Americans to support the Mujahidin — a group dedicated to overthrowing the Iranian government. We also approved that gas pipeline from Turkmenistan to Turkey, via Iran. Those are enough signals from us. It's time for Tehran to send some back."

Clinton: "Look, I'm dubious about Khatami's prospects. I fear that Iran is like the Soviet Union — a totalitarian system that can't be reformed. It either stays as it is or crumbles. I also fear that even if the so-called moderates in Iran do respond, the extremists will kill some Americans just to prevent any rapprochement.

"Still, it's worth a try. With a normal relationship with Iran we could do a lot: counterbalance Russia and China's influence in Central Asia, help Israel and be much more effective at isolating Iraq. So we might as well use this mess with France and the oil companies to test Khatami.

"Hey, when you've got lemons, make lemonade."

The New York Times.

Time for Compromise in Burma

By James Finch

RANGOON — Recent developments show that there may be room for compromise in Burma's long political stalemate. Two events suggest that the time is right for a pragmatic solution.

The military government offered an olive branch by proposing a meeting with Aung Schwe, chairman of the National League for Democracy, the opposition party that won the 1990 elections by a landslide but was not allowed to take power. (The invitation was refused because Nobel Laureate Daw Aung San Suu Kyi, general secretary of the league, was not invited to the meeting.)

Second, the league was allowed by the government to hold the congress commemorating the anniversary of its founding without major interference, something that has not happened in several years. In turn, Daw Aung San Suu Kyi publicly thanked the government for allowing the meeting and reiterated her promise that she will never seek revenge against the military.

The downturn in Burma's economy has played a significant role in creating a new atmosphere of opportunity for the country. Economic growth is expected to slow to less than 5 percent this year and next, while inflation is running at about 27 percent. There has been an alarming drop in foreign exchange reserves to about $183 million, from $663 million a year ago. Exports have fallen 15 percent and imports have risen nearly 7 percent in the same period.

The military government has shown some flexibility. The league is reluctant to compromise, however, for fear that direct talks with the government would result in a split in the league's leadership. Moreover, the league's broad base of support in the country is dependent on economic hardship.

The government and the league can survive a long standoff, especially if they see it as the only means of self-preservation. But vital foreign investment will not come in the amounts required and to the needy sectors until real stability comes. Ordinary Burmese will be the losers.

It is doubtful that either side will of its own accord get negotiations on a settlement going. Neutral countries, especially those of the Association of South East Asian Nations, should use their influence to nudge the parties to the table. A program should be proposed providing a faster track to reform, without revenge or reprisal against any party.

Equally necessary will be commitments by both sides to respect the popular will but leave the armed forces intact and taking orders from the chief executive of an elected government.

Any elected leader of Burma will need the military. Armed ethnic minority groups in a number of areas seek independence by force. The result could be chaos and national division. Heavily armed drug lords ply their trade in some of the ethnic areas. Without a trained, cohesive military, such problems cannot be effectively controlled in the future.

An impartial foreign mediator is needed. Candidates should include officials or representatives of countries or nongovernmental organizations that have sought to retain good relations with both sides.

A compromise political solution would require concessions from both the government and the league. Each would have to give up something, but the people of Burma would be the victors.

The writer, managing partner in an international law office in Rangoon, contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Tiny Vessel

NEW YORK — Captain William Oldham, of Nottingham, has, according to the *Daily News*, announced his intention of crossing the Atlantic alone in the tiniest craft in which the voyage has ever been undertaken. The little vessel, which has been built of steel, is only 8ft. 3in. long, with a depth of 3ft. 6in. Should the weather become stormy, the captain is able to close himself in and render the small space which does duty as a cabin absolutely wind and water tight.

1922: Russians Exiled

BERLIN— Many Russian intellectuals are being exiled to the wilds of Siberia, according to the members of a party of Russians who have arrived in Berlin after deportation by order of the Soviets. "We have violated no laws," said Professor Sorokin, "but in our teachings we have aired questions which we considered of scientific importance. Our comprehension of these questions is contrary to that of the Soviet representatives. This difference of opinion has led to banishment in mass."

1947: Funeral Protest

ROME — The funeral of the Christian Democratic party worker who was stabbed after refusing to say "Long live communism" was converted into one of Italy's greatest recent anti-Communist demonstrations. Scores of thousands lined the route of the procession in response to open invitations posted on walls throughout Rome. One of the Catholic posters urged mourners to put hatred out of their hearts. "But let the enemies of our civilization know that courageous men will always rise up to give even their lives to defend our civilization against its negators."

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OPINION/LETTERS

From the Galaxy's Heart, A New Light on Ourselves

By Lawrence M. Krauss

CLEVELAND — The Space Telescope Science Institute made news last week when it found in the heavens a heretofore unobserved star burning with a brightness of 10 million suns. But this surprise discovery did even more than put a new giant on the astronomer's maps.

Some astronomers had predicted that stars this large would not be stable. By confronting this theory and others, the institute's discovery reminded us how new technology can help us alter both our view of the heavens and, more important, our understanding of our origin and existence.

We have always had better views of many far-off galaxies than of our own galactic center, where the new star was discovered. Why? Because much of our own galaxy is obscured by dust. But the infrared camera aboard the Hubble Telescope can scan the dust-filled center unobscured, thus allowing us to examine our own galaxy.

There is no evidence that the mysteries are ending. A new inexplicable star exists amid the dust today. Who knows what new technologies will reveal tomorrow?

Mammoth stars evolve much more quickly than the sun. Their lifetime can be measured in millions, not billions, of years. Yet they have been vital to our existence. Every atom inside each of our bodies originated in the fiery core of earlier generations of such stars. They created the heavy elements that would coalesce in a dust cloud around the sun, which would in turn collapse to form the Earth.

To be able to observe such a short-lived giant long before its untimely demise is remarkable.

Discoveries like these are why we sweep our telescopes through the cosmos — because we want to learn more about ourselves.

The heavens have historically been thought of as holding and concealing important information about our past and our future. They are the basis of most of the world's religions, as well as the foundation for more mystical musings like astrology and telepathy.

Our development of stronger and more powerful technology takes these same sentiments and puts them on tangible footing.

While we normally tend to justify new technologies because they will provide such things as easier access to information, less expenditure of energy or more food, the aspect of new technology that I believe in the long run may most enhance the quality of our lives has nothing to do with building a better toaster.

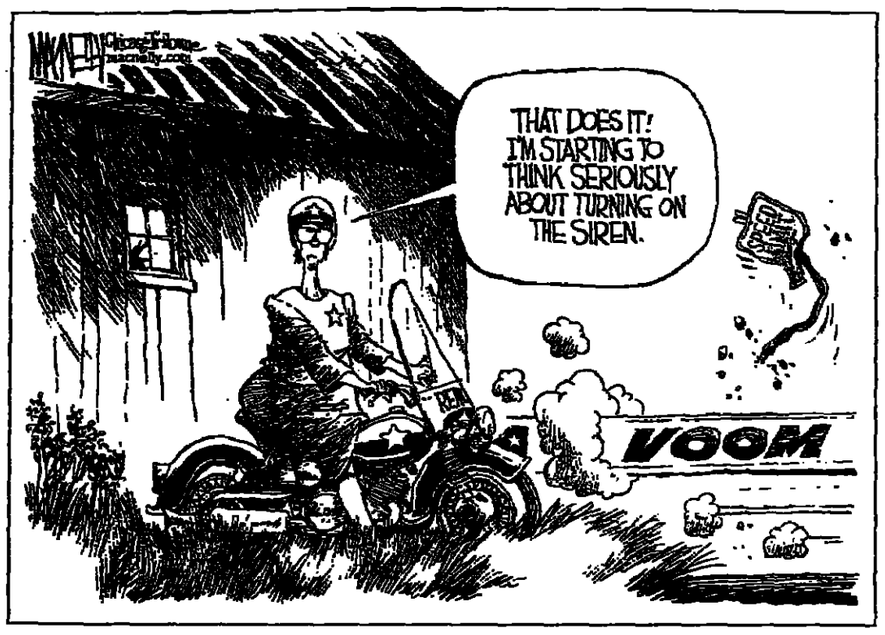
Each time technology allows us to see further into the invisible universe, by "seeing" a new star that shouldn't exist, or observing the workings of a newly discovered gene, we are forever altering our worldview.

Ultimately technology, like art and music, induces changes in the way we view ourselves. In this way, the most significant impact of modern technology may be cultural, not material.

The hidden universe has beckoned us for two millennia, first through myth and now through science. As the Hubble discovery of yet another mysterious object in the darkness makes clear, science and technology together offer us hope from which we shape our cultural perspective.

There is no evidence that the mysteries are ending. A new inexplicable star exists amid the dust today. Who knows what new technologies will reveal tomorrow?

The writer, chairman of the physics department at Case Western Reserve University, is the author, most recently, of "Beyond Star Trek: Physics From Alien Invasions to the End of Time." He contributed this comment to The New York Times.



LETTERS TO THE EDITOR

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A Catholic Confession

Regarding the report "French Church Confesses to 'Error' Over Holocaust" (Oct. 1):

The Roman Catholic Church in France has taken a major step toward healing the wounds between Christians and Jews. As a concerned Christian, I have long believed that the silence of the various Christian denominations during the Nazi period led to a general discrediting of Christianity among its adherents. Until it admits and comes to terms with the past, the Christian church cannot regain the spiritual health needed for a renewal of faith among the youth of the world.

ROBERT F. ILLING.
Porto, Portugal.

I wonder whether the hierarchy of the Catholic Church in France acted according to the letter and spirit of the sacrament of penance when they asked for pardon and expressed repentance for the church's silence and indifference in the face of the persecution of French Jews from 1940 to 1945. Would their repentance have been more convincing had they done some act of penance? They might themselves have fasted for 24 or 48 hours, or they might have summoned all Catholics, or all French citizens, to join them in such a fast, contributing the money thus saved on food to a nonsectarian fund to encourage and help those who refuse in the future to be silent and indifferent in the face of crimes against humanity.

ARNO MAYER.
Chérence, France.

Words of repentance are not enough. Deeds of repentance are needed. The onus on the Catholic Church is overwhelming, and if it is genuine in its sorrow and regrets its past persecution of the Jews, then it should embrace in its teachings, catechisms and prayers an unequivocal admission of the church's guilt and the condemnation of anti-Semitism as a crime. This, in the long run, could help turn the tide of the longest hatred in history. Until then, it could happen again.

GEORGE WHYTE.
London.

As a survivor of Auschwitz and Bergen-Belsen, I was deeply moved by Archbishop Olivier de Berranger's forthright confession of the French Catholic Church's silent acquiescence in the deportation of French Jews. Perhaps Pope John Paul II, who praised the French bishops for their courageous act, could now end the Vatican's silence on the "murdering priests" of Slovakia who ran the wartime Nazi puppet regime and were directly responsible for the deportation of 56,000 men, women and children, including my entire family. I was 11 at the time and the only one of 60 members of my family to return.

JACK GARFEIN.
Paris.

Partition Is No Answer

Regarding "Since Dayton Is Doomed, Get On With the Partition of Bosnia" (Opinion, Oct. 8) by John Mearsheimer:

To partition Bosnia and launch an exercise of social engineering with the transfer of thousands of people from one area to another would only make the situation worse. In fact it would condone, even copy, the policy of ethnic cleansing instigated by Serbian and Croatian leaders. Let us not forget that a similar exercise in Turkey and Greece in the early part of the century did little to reduce Turk-Greek hostilities. The only way to prevent war in Bosnia is a forceful implementation of the Dayton peace accords. All Bosnians — Muslim, Croat and Serb — should have no doubt that their right to return home and live in peace and security will not be endangered by a bunch of local thugs. The international community may have to give this guarantee for some years to come.

MATHIAS EICK.
Nairobi.

Trout Fishing in Bhutan (Bait Up With a Peerage)

By Sunanda K. Datta-Ray

THIMPHU, Bhutan — With their red bands and black spots, rainbow trout are dressy snobs. Lay down your tackle, and hold out Debrett's peerage, that Bible of the socially ambitious, and the fish will be jumping out of the water for your attention. Dangle an honest rod and line, and they will turn imperious tail and stalk — I mean swim — away.

Recently, I heard someone on the BBC explode in outrage because a trout had the temerity to bite his hook when he wanted

MEANWHILE

carp. Of course, he released the impertinent fish and flung it back into the water. Blessed, blessed man, I thought, to be so favored.

My bitter experience during a recent fishing holiday in Bhutan, the Himalayan kingdom wedged between India and Tibet, has left me with a jaundiced view of piscine psychology. Fish after fish snubbed me as I braved wind and weather to cast a line; they queued up instead to make the acquaintance of my son, Deep, prancing about 20 feet downstream.

We were in Thimphu, Bhutan's capital, with Sonam, our youthful escort from the eastern hills. Glimpsed through the trees just above the river were the upturned red eaves of a now deserted cabin where I had first interviewed King Jigme Singye Wanchuck, Bhutan's fourth *Druk Gyalpo*, or dragon ruler, some five years before Deep, now 18, was born.

Years later, the king happened to be driving past that very spot when he saw one of his aides trying to instruct Deep, then 10, in handling a rod. The monarch stopped to show him how to cast a line, reel it in and play the catch. A basketball-playing bachelor then, King Jigme was the "compleat angler."

But that was not what excited Deep. The royal Mercedes was full of Coke, he told us, eyes glistening, for Coca-Cola was then unobtainable in India. Though Deep has forgotten that early lesson, I suspect those snobbish fish have not.

Thanks to the king's maternal grandfather, Raja Sonam Tobgye Dorji, Bhutan's rivers teem with trout. British officers stocked the rivers of Kashmir with fish from Scotland, and in Ha castle, the Dorji seat, are displayed the two earthenware jars in which relays of Dorji porters bore the fingerlings 2,000 miles along the Himalayas to Bhutan. I have not paid my respects to the trout's ancestral receptacles. Perhaps they resent it. More likely, they recognize the less than kingly hand that holds my rod.

The rivers that Deep and I fish were the preserve of negligent royalty. Nowadays, King Jigme has to watch out for more sinister fishing in the turbulent waters of ethnicity churned up by illegal immigration into Bhutan from Nepal. There is little time to farm the waters that grandpa Dorji stocked. Humbler Bhutanese are not permitted to fish here. Not many guests are so privileged either, exclaimed the Indian ambassador's wife, unquestioned doyenne of Thimphu's *corps diplomatique*, comprising her husband and an effervescent woman ambassador from Bangladesh.

You would think that the trout would want to celebrate my rare fortune. With no one and nothing to disturb their tranquillity, they grow fat and lazy. They have nothing to do but eat, sleep and swim. You might expect them to weary of this existence and yearn for the twang of the nylon line, the shimmer of the hook and flash of the fly, to pray to the river gods to send anglers to rake them up by the basketful. Not a bit of it. They are in turns coy and superior.

My line goes taut as one more adventurous than the rest nuzzles the hook; then sags as the fish decides that taking it is beneath its dignity. Once, I even pulled an unprotesting trout out of the water, but no sooner had it glimpsed me than it fought back furiously, twisted, turned and leapt into the river with a spectacular splash.

"It often happens!" Sonam consoled. But I am sure it would not have if King Jigme had wielded the rod. The trout would then have bowed in gratitude and lain submissively at the royal feet. Deep had fared better than me, not because of his angling skill, but because the fish sniffed the hand that had taught him all those years ago. As I said, the rainbow trout of Bhutan are snobs.

The writer, former editor of The Statesman (New Delhi), is now an editorial consultant with The Straits Times (Singapore). He contributed this tale to the International Herald Tribune.

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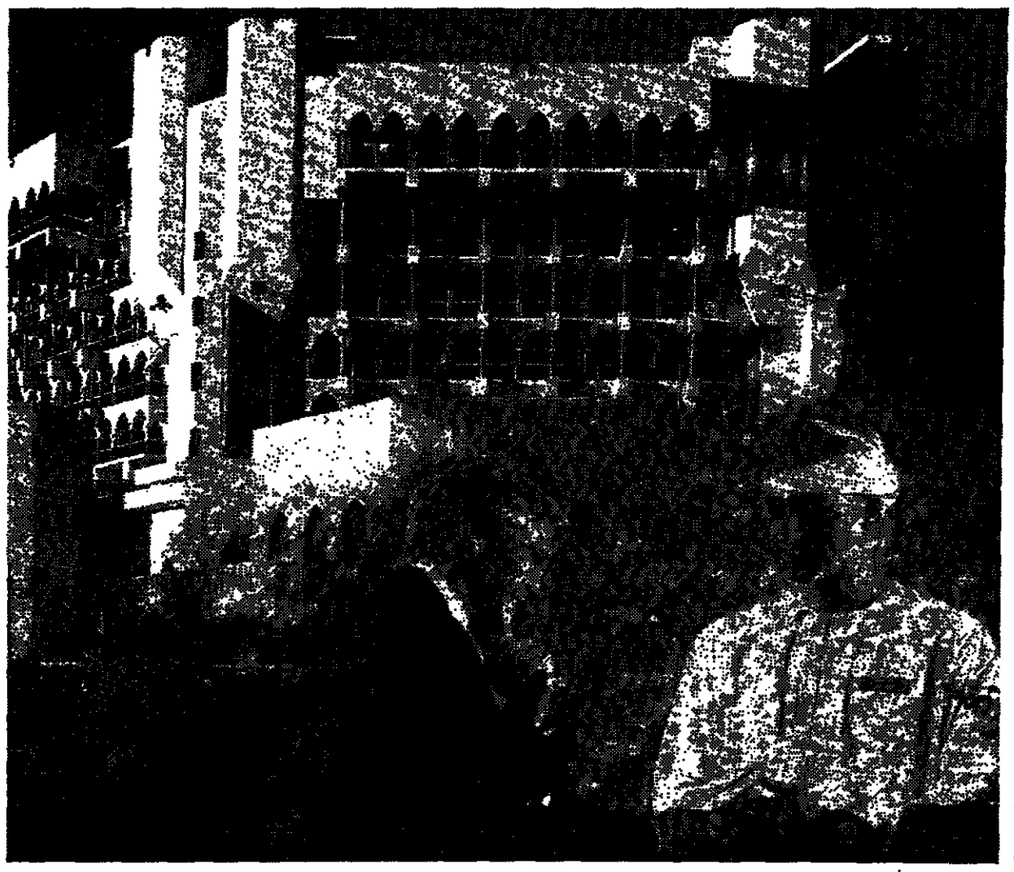

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PETRA*
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AMSTERDAM
ATHENS
BARCELONA
BELGRADE
BERLIN
BRATISLAVA*
BRUSSELS
BUCHAREST
BUDAPEST
CANNES
CRACOW*
EDINBURGH
FRANKFURT
GENEVA
THE HAGUE
HAMBURG
HANNOVER*
HELSINKI
ISTANBUL
LEIPZIG
LISBON
LJUBLJANA
LONDON
LUXEMBOURG
MADRID
MONTREUX
MOSCOW
MUNICH*
NICOSIA*
PARIS
PRAGUE
ROME
STUTTGART
TASHKENT
VIENNA
WARSAW
ZAGREB
ZURICH
AMERICAS
BOGOTA
BUENOS AIRES
CALI
CANCUN
CARACAS
CARTAGENA
CHICAGO
CIUDAD GUAYANA
COZUMEL
GUADALAJARA
IXTAPA
LOS ANGELES
LOS CABOS
MANAGUA
MARACAIBO
MEDELLIN
MEXICO CITY
MIAMI
MONTREAL
NEW ORLEANS
NEW YORK
PANAMA CITY
PUERTO VALLARTA
RIO DE JANEIRO
RIO NEGRO*
SAN FRANCISCO
SANTO DOMINGO
SAO PAULO
TORONTO
VALENCIA
WASHINGTON, D.C.
ASIA PACIFIC
BALI
BANGKOK
BROOME
CHENGDU
COLOMBO
JAKARTA
KUALA LUMPUR
MANILA
NEW DELHI
PHNOM PENH
QINGDAO
SEOUL
SHENZHEN*
SINGAPORE
SYDNEY
TAIPEI
TOKYO
YOKOHAMA
AFRICA
ABIDJAN
CAPE TOWN
DURBAN
JOHANNESBURG
KINSHASA
KRUGER NATIONAL PARK
LUSAKA
NAIROBI
VICTORIA FALLS
*FORUM HOTEL

INTERNATIONAL

CONGO: *Mobutu May Be Long Gone, but Where Rebellion Began the Fighting Goes On*

Continued from Page 1

Mr. Kabila's revolt a year ago after Marshal Mobutu's government threatened to expel Tutsi who had lived for centuries in eastern Zaire. As the rebellion grew and gathered other allies, Rwanda's Tutsi-dominated government stepped in to arm and back the rebels.

For the Rwandan government, Mr. Kabila's rebellion provided a chance to end the simmering guerrilla war in its western half by closing down Hutu refugee camps across the border. In the camps, tens of thousands of Hutu militiamen and soldiers of Rwanda's former Hutu-dominated government had been training and preparing to invade.

To that end, several hundred Rwandan soldiers fought alongside Mr. Kabila's army in its march across Zaire, toppling Marshal Mobutu in May.

Since Mr. Kabila's victory, Congolese Tutsi have become more and more dominant in local administrations and in the army. Resentment has grown among other tribes, many of whom regard the Tutsi as invaders from Rwanda.

The fighting in western Rwanda has grown since Mr. Kabila took power, though. In the last five months at least 4,000 people, many of them unarmed civilians, have died in a guerrilla war between Hutu rebels and the army of the current Tutsi-dominated government, UN officials say.

One reason is that thousands of Hutu guerrillas, many of whom took part in massacres of Tutsi in 1994, have filtered back into the country and taken up arms, Rwandan officials and diplomats say.

"What's happening in Rwanda now is the end of the war in 1994," said one diplomat. "The Rwandan Army is winning the war, but at a terrible cost."

The growing nature of the Rwandan conflict was clear last week, when more than 1,000 rebels mounted a major attack on the Rwandan border town of Gisenyi and were driven back into Congo after seven hours of fighting.

"Even now we still get some infiltrations from some areas of Kivu," the region comprising two eastern provinces of Congo, said Claude Dusaidi, a senior Rwandan defense official. "When they are hit hard, they retreat back to the Congo, maybe retrain, and come back and so on. So we would wish the Congolese to address that issue."

To the north in Uganda, a rebel group in the Ruwenzori Mountains has managed to continue a campaign of raids along the border aimed at destabilizing President Yoweri Museveni's government, despite having been routed during Mr. Kabila's advance.

Known as the Allied Democratic Force, the Ugandan rebel group asserts that Mr. Museveni is actually a Rwandan Tutsi who has "confiscated our motherland." The rebels have killed nearly 150 people since June in attacks that have scared 70,000 farmers off their land and caused food shortages.

To the south in Burundi, the main Hutu rebel organization that used to find a safe haven in Congo has survived by shifting its bases to refugee camps in Tanzania. A few Burundian rebel groups are reported to be still operating in Congo, though. The rebels continue to direct a violent campaign against Burundi's Tutsi-led government.

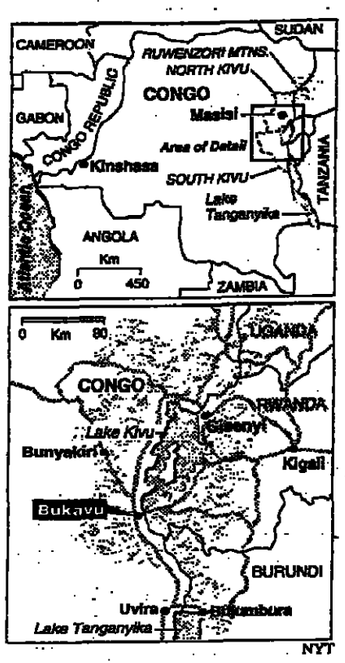
Even in Kivu, where Mr. Kabila's rebellion began, two guerrilla movements have sprung up to challenge his troops.

In the Masisi area of North Kivu, dozens of armed bands known collectively as the Mai-Mai militia are terrorizing Mr. Kabila's Tutsi soldiers.

During the civil war, the Mai-Mai briefly joined forces with Mr. Kabila's army to oust Marshal Mobutu. But in recent months their ranks have been swelled by indigenous tribesmen who are angry about the large number of Tutsi commanders and soldiers from Rwanda and Uganda still on duty in the Congo, local officials said. Since May they also appear to have joined forces with remnants of Hutu rebel groups from Rwanda and Burundi.

"The Mai-Mai are very anti-Tutsi, and they want the Rwandan soldiers to leave immediately," said an aid worker in Bukavu, who spoke on condition of anonymity.

Farther south, in the Fizi area, a second rebel movement, drawn mostly from the Babende ethnic group, has been harassing and ambushing Mr. Kabila's Tutsi cadres. Led by a longtime rebel leader, Charles Simba, who was once an ally of Mr. Kabila, the Babende guerrillas say they regard the Tutsi soldiers as invaders.



NYT

BRIEFLY

10 Policemen Die In Attacks in Egypt

ASSIUT, Egypt — Suspected Islamic militants attacked two police stations Monday in southern Egypt, killing 10 police officers and one civilian, the Interior Ministry said.

The Minya Province attacks were the worst against security forces this year and cast more doubt on the government's claims that it had crushed Muslim extremist groups.

No group took immediate responsibility for the attack. The police in southern Egypt said the shootings were carried out by "terrorists," the word they usually use to describe Muslim militants. *(AP)*

Rival Kurds Battle

ANKARA — Just as Turkey started pulling its troops out from northern Iraq, serious fighting broke out Monday between rival Iraqi Kurdish factions.

The Kurdistan Democratic Party said forces of the Patriotic Union of Kurdistan, backed by heavy weapons, had launched attacks on its positions at three separate locations.

A United Nations official in Baghdad confirmed the clashes. A cease-fire between the groups had mostly held since last October. *(AP)*

Acapulco Vaccines

ACAPULCO, Mexico — Health workers vaccinated thousands of residents of hurricane-devastated Acapulco at makeshift centers Monday, hoping to halt the spread of diseases.

Teams of government health workers set up makeshift vaccine centers across the stricken resort city and in other smaller villages along the coasts of Guerrero and Oaxaca states. Up to 400 people died in the flooding and chaos that accompanied the hurricane designated Pauline last week. *(Reuters)*

For the Record

Chilean Indians and students marched Sunday in Santiago to denounce Columbus's arrival in America as the start of the genocide of the continent's native peoples. *(Reuters)*

Loyalists Try To Halt Rebel Gain in Streets Of Brazzaville

Reuters

BRAZZAVILLE, Congo Republic — Forces loyal to the embattled President Pascal Lissouba attacked with a helicopter gunship here Monday to try to stem advances by its former military ruler, Denis Sassou-Nguesso.

Witnesses said that the helicopter fired rockets into new positions held in the devastated city center by General Sassou-Nguesso's "Cobra" militia, who predict that the capital would be theirs within days.

Rebel commanders say that they plan to press on with an advance on the international airport and the presidential palace, strategic and symbolic prizes in the four-month power struggle between Mr. Lissouba and his predecessor.

Witnesses say the Cobras have shot down three of the four helicopters deployed in the capital of this oil-producing, former French colony by Lissouba loyalists.

During a general countrywide offensive since Oct. 7, the Cobra militia has captured the main administrative and business districts of the capital.

Their gains in Brazzaville coincide with reports that Angolan troops have attacked Mr. Lissouba's home area in the south of the country from the neighboring Angolan enclave of Cabinda.

"It is true the Angolan Army invaded from Cabinda," a spokesman for Mr. Lissouba's army command said. "They were heading toward Loudima but were scattered by airborne attacks."

General Sassou-Nguesso's side said earlier that they had taken the southern town of Loudima.

In Luanda, the capital of Angola, Aldemiro Vaz de Concicao, a spokesman for the President Eduardo dos Santos, accused Mr. Lissouba's army of attacking Angolan forces in Cabinda.

"We are going to move on piece by piece," General Sassou-Nguesso's chief of staff, Colonel Yves Moutanda, said during a pep talk with troops patrolling the front lines.

"For a long time," he said, the Lissouba forces "have been here in the city center. Now we are dislodging them. I give them no more than a week."

Nasser Ishaiyah/The Associated Press

A masked Hamas member wearing a death shroud with fake explosives strapped to the waist celebrating Monday at a rally in the West Bank the Oct. 1 release of Sheikh Ahmed Yassin.

Israel Frees 9 Arabs As Part of Jordan Deal

The Associated Press

JERUSALEM — Israel released nine more Arab prisoners on Monday as part of a deal made with Jordan after a bungled Israeli attempt on the life of a Hamas leader in Amman.

The prisoners, most of them Jordanian citizens, were flown by helicopter to Jordan, where they were expected to be placed in a Jordanian prison, an Israeli Prison Authority spokeswoman, Orit Messer-Harel, said.

Moshe Fogel, spokesman for Prime Minister Benjamin Netanyahu's government, said Israel would free 50 to 60 prisoners as part of a swap worked out with Jordan last week.

Last week, Mr. Netanyahu freed Sheikh Ahmed Yassin, founder of the militant Muslim group Hamas, and 20 other Arab prisoners, most of whom had Jordanian passports.

In return for Israel's prisoner releases, Jordan has freed two Israeli Mossad agents involved in the Sept. 25 assassination attempt on Hamas political strategist, Khaled Meshal.

Celebrating the release of Mr. Yassin, about 4,000 people attended a Hamas rally Monday at An Najah University on the West Bank. Protesters burned the Israeli flag, and eight Hamas activists marched dressed as suicide bombers, wearing white death shrouds and belts with fake explosives.

None of the nine Arab prisoners released Monday were Hamas members or were involved in attacks on Israelis, Mr. Fogel said.

An Israeli Prison Authority list showed all except one of those freed were jailed on security offenses.

Israel also decided Monday to demolish the homes of three Islamic militants who carried out suicide bombings in Jerusalem this summer. The home of a fourth assailant is to be sealed.

Algerian Islamists Urge Boycott Of Elections as Killing Continues

Compiled by Our Staff From Dispatches

BONN — The leaders of the banned Islamic Salvation Front called for a total boycott of Algeria's local elections schedulled for Oct. 24, in a statement issued here Monday.

The party's leaders said the vote would not help stop the violence in Algeria in which hundreds of civilians have been killed in recent weeks in massacres linked to Islamic extremist groups.

"Instead of genuine and prompt action toward stopping the bloodletting, the government is foisting elections on Algerians which will serve no purpose," the statement said.

The Islamic Salvation Front insists that "absolute priority be given to stopping the bloodshed through a global and just political solution within the framework of global national reconciliation."

The Front said its call was aimed at pushing the government to a shift in policy toward "a real solution awaited with impatience by Algerians."

An Algerian newspaper, meanwhile, said Monday that Muslim rebels killed 23 civilians, including at least seven women, one baby and two girls, by cutting their throats in two attacks last weekend.

The newspaper Liberte also reported that the Algerian Army, on a continuing three-week offensive against Muslim guerrillas near Algiers, said troops had killed at least 35 rebels.

About 20 rebels killed 14 people — members of two families — early Sunday in Souidani Boudjemaa village, about 30 kilometers (18 miles) south of Algiers, and then set their bodies ablaze, Liberte said, quoting survivors.

Hours later, rebels cut the throats of nine civilians at a fake roadblock they erected Sunday near Ksar el Boukhari, about 80 kilometers south of Algiers, Liberte said.

Thirteen workers were wounded Sunday when the truck they were traveling in ran over a mine planted on the road they routinely took to get to work in El Gor in the western province of Tlemcen, La Tribune said. *(AFP, Reuters)*

Left Wins a Round In Geneva Canton

Reuters

GENEVA — Left-wing parties won a majority, for the first time since 1918, in the Geneva canton legislature in first-round voting over the weekend, according to results published Monday.

The narrow triumph of a leftist and ecologist coalition, which took 51 out of the 100 seats in the canton's Council of State, leaving 49 to center and right-wing parties, was hailed as historic.

The Sunday poll, which saw a turnout of 39 percent, will be followed by further elections next month for the cantonal government and will not automatically bring the left to power in and around the international city.

Analysts said the outcome of the successive ballots would be more likely to lead to a restoration here of Switzerland's typical "consensus" style of administration, with the ministerial posts shared between left and right.

Trial of Basque Political Leaders Is Opened Amid Heavy Security

Reuters

MADRID — The leaders of the political wing of the Basque guerrilla group ETA went on trial in Spain's Supreme Court on Monday on charges of collaborating with the separatist rebels.

The trial began under heavy security with the reading of the charges against the 23 radical politicians who make up the entire leadership of the political party Herri Batasuna.

The defendants are accused of spreading ETA propaganda during the election campaign last year by broadcasting a videotape produced by the rebel group and of acting in "defense of terrorism." If convicted, they each face up to eight years in prison.

The politically charged case has divided Spaniards, with some calling it an attack on freedom of speech and others saying it was long overdue.

The trial was originally set to begin on Oct. 6 but was delayed for a week after defense lawyers tried unsuccessfully to have one of the three judges on the case removed for possible bias.

The police, worried by the risk of attacks by ETA and violent street demonstrations, mounted a major security operation outside the court in central Madrid. ETA stands for Basque Homeland and Liberty.

On the eve of the trial, about 5,000 people demonstrated in the Basque city of Bilbao in support of Herri Batasuna, or Popular Unity in the Basque language.

Just after the demonstration, two regional police officers suffered slight burns when a group of hooded youths threw fire bombs.

On Saturday a car bomb exploded in the Basque resort of San Sebastian, near the venue of the world cycling championships. Three Civil Guards suffered minor wounds in the attack, which the police attributed to ETA.

Herri Batasuna is considered the political arm of ETA. The guerrillas have killed more than 800 people in a three-decade-long fight for an independent Basque homeland.

MERGERS: *A European Spending Spree*

Continued from Page 1

Fueling that big-is-better strategy is a stunning boom in European equities. Stock market indexes have surged so far this year by 32 percent in Paris, 41 percent in London, 49 percent in Frankfurt and 56 percent in Switzerland. The resulting paper wealth has given European companies the financial muscle to make acquisitions.

In the financial services industry, the focal point of much of the activity Monday, barriers are crumbling between sectors like banking and insurance while the advent of Europe's single currency could make national borders increasingly irrelevant. The recent spate of mergers on Wall Street, capped by the deal last month creating Salomon Smith Barney, is also forcing European companies to think bigger or risk becoming marginalized on the world market.

"The financial services industry today is totally open, and there are no boundaries between countries," said Hans Dalborg, chief executive of Nordbanken. The Swedish bank said it was merging with Merita of Finland to create a Scandinavian banking powerhouse, valued at around $10 billion, capable of expanding into the Baltic states.

Besides Reed Elsevier Wolters Kluwer and MeritaNordbanken, as those giants are to be called, there were these deals:

• BAT Industries PLC announced that it was in talks to sell its insurance and asset management businesses, which include the U.S. insurer Farmers Group, to Zurich Insurance Co. The deal, estimated to be worth more than £20 billion, would create a Zurich-based financial services company worth around $36 billion and leave BAT free to focus on its remaining cigarette business. BAT shares surged 58 pence to close at 609.

• Assicurazioni Generali SpA, Italy's largest insurer, made a surprise bid of 55 billion French francs ($9.38 billion) for Assurance Generales de France, that country's No. 2 insurer. The deal would vault Generali into third place among European insurers, behind the German leader Allianz AG and AXA-UPA SA of France, which also has grown through acquisitions. Generali shares rose 1,810 lire to close at 38,521 ($22.46) in Milan. AGF shares were suspended in Paris.

• Lafarge SA, the French cement and building materials company, offered to buy Redland PLC of Britain for 320 pence a share, or £2.07 billion. Redland rejected the offer, but its shares surged 79 pence, to 336.5, indicating that investors expect Lafarge to pursue its bid.

• LVMH Moet Hennessy Louis Vuitton SA said it would drop its opposition to the merger of Guinness PLC and Grand Metropolitan PLC in return for a one-time payment of £250 million plus a special 1998 dividend of £250 million. The luxury goods company will also control most of the global distribution of the combined company's drinks business, a world leader that includes Johnnie Walker whisky and Gilbey's gin. Guinness shares rose 28.5 pence to close at 605.5, and Grand Metropolitan rose 21 to 604.

"All of these transactions have been driven by a trend toward international cross-border consolidation within particular industries," said Charles Packshaw, head of corporate finance at Lazard Bros. & Co., which is advising companies involved in five of the day's six big transactions. "I think we'll see a continuation of this trend," he told Bloomberg News. Lazard could make more than $300 million for its role in the bids.

The boom in activity also suggests that many big European companies are moving beyond the painful restructurings and job cutbacks of recent years and looking to strengthen their position in the Continent's growing economic recovery.

"The rate of work force reduction is slowing," said Richard Davidson, chief economist at Morgan Stanley in London. "European companies will increasingly turn to mergers and acquisitions rather than business unit restructuring to build value." The firm's research indicates that returns on equity are highest in markets like Britain, the United States and Switzerland, which have seen the most mergers.

The Reed Elsevier-Wolters Kluwer deal meanwhile highlights the potential for a small number of mega-companies to dominate the Internet. The growth of Microsoft Corp.'s Internet Explorer 4.0, which contains about 100 easy-access information windows, should strengthen the publishers' hand, Mr. Stapleton said, as Reed Elsevier Wolters Kluwer publications will control 14 of the windows.

The deal will create the world's biggest publisher of trade magazines and business information, combining Wolters's legal and tax publications with Reed Elsevier's Lexis-Nexis databases and magazines like New Scientist.

Would-Be Deal-Makers

Combined market capitalization of companies proposed mergers or takeovers in billions of dollars

Market cap.	Companies		Industry
$38.46	Guinness	Grand Metropolitan	Beverages
37.16	CS Group	Winterthur Group	Insurance
35.64	Zurich Group	B.A.T. Industries	Insurance
24.28	Generali	AGF	Insurance
18.56	Reed Elsevier	Wolters Kluwer	Publishing
10.70	Nordbanken	Merita	Banking
9.13	Lafarge	Redland	Construction

Source: Reuters International Herald Tribune

BLAIR: *Historic Handshake With Adams*

Continued from Page 1

"If we don't seize the opportunity now, we may not see it again in my lifetime," an official quoted Mr. Blair as telling Mr. Adams.

Mr. Blair said he would use all his energy to achieve peace.

"It's a very rare thing for humanity to make sense of history, but that's exactly what we've got to do," he was quoted as saying.

He told Mr. Adams: "You either end up as victims of your history or you make sense of it."

He added, "I do believe this is one of the moments in history when things can be moved forward."

Officials said Mr. Blair had emerged from the meetings feeling very encouraged and sensing a real political will to make progress toward ending decades of strife between Roman Catholics and Protestants over British rule.

Mr. Adams himself played down the handshake.

"Well, I have shaken hands with many people," he said.

The Sinn Fein leader also stressed his undiluted commitment to a united Ireland, a goal vehemently opposed by Northern Ireland's Protestant majority.

"We want to see Irish unity, we want him to be the prime minister that helps bring that about and, indeed, as I said to him, we want him to be the last British prime minister with jurisdiction in Ireland," Mr. Adams said. *(Reuters, AP)*

ITALY: *Neo-Communists Misread Mood*

Continued from Page 1

coalition, Mr. Bertinotti and his party of factory workers and radical intellectuals are a force that still needs to be coaxed into consensus.

Part of the problem has to do with arithmetic. In Italy's last national elections, in April 1996, the Democratic Party of the Left, headed by Massimo D'Alema, won 21.1 percent of the vote, whereas the neo-Communists won 8.6 percent — numbers that add up to the constituency of Italy's old Communist Party, the largest in Western Europe until it split in 1991.

The residual split in the ranks of Italy's left has much to do with the drama of the previous week, as Mr. Bertinotti, deserted in the end even by Italy's traditionally Communist trade union, sought to fight what he and his supporters describe as the creeping "hegemony" of a modern, moderate party of the left that in their view, has forsaken principles for power.

Until now, the Refounded Communist Party has stayed resolutely out of the government coalition, choosing instead a middle course that allowed it to lend, and withhold, the support of its 34 parliamentary deputies as it saw fit.

The lingering clout of the neo-Communists can also be explained by Italy's stubborn resistance to "bipolarism," a two-party system that when it works right, offers voters an alternative between left and right, along the lines of Britain's Labor and Conservative parties, or the Democrats and Republicans in the United States. Bipolarism has been a goal set by Italy's new political elite, in the wake of the messy corruption scandals that erupted in the early 1990s, shattering the once-dominant Christian Democrats.

Political reforms began with the partial shedding in 1992 of Italy's old proportional representation voting system that had kept power in the hands of party leaders, letting them — rather than voters — pick elected representatives. But further reforms are still pending in Parliament, and until they are concluded, many analysts here fear that politics will remain at the mercy of small minority parties, like the Refounded Communist Party, that relish their outsized role.

In December 1994, the center-right government headed by the media magnate, Silvio Berlusconi, was brought down by the defection of the Northern League, whose leader Umberto Bossi now advocates outright secession for a large swath of northern Italy. Although sidelined by the major parties, Mr. Bossi remains an irksome troublemaker, whose parliamentary minority can still makes its voice heard on critical issues.

But in downing the Prodi government, the neo-Communists found themselves up against a consensus in Italy, which in recent years, has proved stronger than any other: an overwhelming commitment to join Europe when in 1999, if launches the euro, the name of the proposed common European currency.

Claims Vary on Success Of Cameroon Election

The Associated Press

YAOUNDE, Cameroon — Opposition parties claimed success Monday for their boycott of Cameroon's presidential election, but the government insisted turnout had been strong and favored President Paul Biya.

Official results from Sunday's balloting were not expected for two weeks. Mr. Biya was expected to extend easily his 15 years in office, since the boycott by the main opposition parties left him facing little competition.

Mr. Biya's campaign had dominated the West African nation's state-run media, which all but ignored his six opponents. Two other contenders dropped out just before the vote.

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Refurbished Dior Boutique Sees the Light of the Future

Christopher Moore

Peter Marino, the architect of Dior's new boutique, in the central rotunda; bow-trimmed, striped chair in the perfume boudoir, left, and serpent sandal, peacock-feather mule and satin lingerie on a cloven-hoof stool.

By Suzy Menkes
International Herald Tribune

PARIS — The chair has an oval back, like all those upright, uptight Louis-something seats in a posh French salon.

But on its back is a striped bow like the apron of a perky French maid. Or its seat is made not of silk, but of curly sheepskin. Or it sprouts Mexican raffia tassels. Or it is made from a Philippines wicker basket bought in a New York flea market.

"That cost $1.98 — I don't know why I have been portrayed as a person who does things lavishly!" says the architect Peter Marino, with his boyish, all-American grin. "I want people to think I had fun — that would make me really happy."

The newly refurbished Dior boutique opens its doors Tuesday with a swanky party at which Bernadette Chirac, the wife of the French president, will cut a silken rope with the scissors that the late Christian Dior himself used 50 years ago.

But a makeover is hardly the word to describe the extraordinary transformation that the American-in-Paris architect has wrought. It is a triumph of wit and workmanship, symbolized by the attention to detail: the cloven-hoof stools; the moonlight-silver panther print, or the naughty black-lace frieze on the padded-silk dressing room of the lingerie boudoir.

Subtle references to the heritage of the house include a wickerwork mosaic in mother-of-pearl in the mirrored beauty parlor and the pleated silk curtains behind the glass vitrines of closets. That harks back to Christian Dior's original concept of making his couture house just like the haut-bourgeois home of his dear mama.

But far from being an homage to the past, Marino has also let the airy light of modern day into the pampered luxury that is the quintessence of French chic.

The Avenue Montaigne entrance not only has a froufrou lavender tulle dress by Dior's romantic designer, John Galliano, but also state-of-the art technology, as panels open to show film clips of the Dior universe.

And from the rotunda, pathways give vistas onto other areas — an idea, says Marino, based on the famous Etoile, the star-burst formation of roads round Paris's Arc de Triomphe.

"Dior grew like a medieval town — it had been higgledy-piggledy for 50 years, with no flow and no light," said the architect, who decided to ape Haussmann's 19th-century restructuring of Paris by remodeling the entire building.

Film screens, rotundas, jokey furniture? This is Nike Town meets Dior? Not quite! The new store is done with the in-depth luxury that has been Marino's trademark in the very different stores that the chameleon-architect has done for Giorgio Armani, Donna Karan, Calvin Klein and Valentino.

"It starts with the three-centimeter carpet — bouncy luxury," says Marino, patting its deep pile, stroking the red-and-white striped, made-in-France silk and pointing out the gleaming rococo moldings of the evening salon, filled with Galliano's embroidered chinoiserie outfits. Mother-of-pearl was crushed into the plasterwork that Marino defines as "Louis XV, but using Dior flowers."

A deep cultural and historical knowledge is hidden behind the architect's friendly and genial facade. It has brought a current commission to restore St. Patrick's Cathedral in New York, a project of which he is very proud but refers to with his usual glee.

For the French, Dior holds a position not so removed from the reverence accorded to an established church, and eyebrows were naturally raised when Bernard Arnault, Dior's president, compounded the ignominy of choosing a British designer by picking an American architect.

Marino admits that when he got the call and thought of his sisters "ogling Vogue" in Dior's glory days, he too was amazed that he should be considered.

"Dior was an icon, and I had an image in my head of how it should look," says Marino, who found the faux pillars and faded 1970s modernization a disappointment.

He praises Arnault's vision in understanding the need to project the house forward into the new millennium, rather than gilding its laurels.

How does Marino work with such different clients? He says that he is "very good at interpretation" and that the idea is always to sit down and talk them through their hopes and dreams. This was easy with Armani, whose home Marino did before he tackled the stores; more difficult with Karan, who found it hard to articulate her idea of a store with a spirit and a soul.

Marino discussed Dior's image with Galliano and critics will be dumbfounded to see how well this French and Anglo-Saxon marriage has worked — perhaps because Marino has an uncharacteristically American sense of irony. (He spent formative years in his youth hanging out in Andy Warhol's Factory.)

THAT chimes with Galliano's saucy takes on Dior. Thus the cocktail room contains pastel suits with mink trims (we are talking fondant-pink and primrose-yellow fur here), which are set against a quiet, clean modernist background. And special objects, like shoes entwined with snakes or peacock feathers, get the isolated treatment of a rare jewel.

And yes, there is a connection with Nike Town New York. For just as that high-tech store is created within the skin of an old building, Marino has worked the reverse trick. The bones are classical 18th-century architecture, but that is fleshed out with hyper-modern rails and fittings that stand away from the walls, as though an invisible pane of glass separated today's Dior from its history.

"Everything suspended, floating, nothing touching the wall — that's modern to me," said Marino, raising his eyes to the square, sunken ceiling lights. "And no crystal chandeliers. For anyone under 50 that says OLD."

What is the price of all this luxury? Dior isn't telling. But the Marino-designed Barneys on Madison Avenue (the one that bankrupted the business) cost a cool $150 million.

The Dior project has been enormous, with the outside of the limestone-clad building given the same restoration treatment as the Louvre and a new coherent interior fashioned from what was a warren of rooms in three separate houses.

In the store, the visual game is one of contrasts, so that modern is juxtaposed with fantasy.

"It is always about my reflection of old and new," says Marino. "And that is the challenge for Galliano too. How do you bring rococo fantasy to modern times?"

YSL: The Fluidity Is in the Fabric

Moore/Thomas

YSL's halter-top and floaty pants.

International Herald Tribune

PARIS — It is nearly 40 years since Yves Saint Laurent took up his scissors as assistant to Christian Dior.

Pierre Bergé, the designer's partner, announced Monday that the anniversary would be marked in 1998 by a series of events. They include an involvement in the soccer World Cup in France. Berge also said that the name of the designer would be engraved above the newly refurbished French painting section of the National Gallery in London, to which Yves Saint Laurent made a major donation.

How does Saint Laurent feel 40 years on? "Those early years were marvelous — but I don't think much about that now," said Saint Laurent, with new short-cropped hair, after the mini-show in his salon.

"Forty years is a long time. Do you wonder that I don't want to do four big shows a year any more? What I wanted to capture in this collection was a sense of lightness, femininity, and to keep women in pants but to aim at fluidity with the fabrics," the designer said.

With such a weight of history and myth leaning on his slight frame, Saint Laurent still managed to pull that off. The capsule collection he sent out on the opening day of the Paris spring-summer season had a blow-away lightness, especially for evening, with halter-neck tops breaking in a pale surf across the bosom above flowing chiffon pants.

A breezy seashore feeling also gusted through the day wear, which opened with the perennial navy pea coat, teamed with wide white pants, and continued the naval theme with navy jackets piped or banded in white.

Although a pin-striped suit offered the classic pleat-front cut, most of the pants were sailor-shaped, fitted at the hip and then flaring gently. Worn with 1940s-style wedge-heeled sandals, they had a jaunty look.

The other innovation was in fabric, with shiny woven raffia used for a simple black dress. The designer showed his unrivaled sense of color with a grass-green sweater worn with orange skirt over yellow Capri pants.

Exoticism came in the whiff of lemon grass for soft jackets and pants. That reinforced a message that was less about tailoring and more about easy pieces.

Eric Bergere's take on fashion is short, sweet and very French in its brief hemlines and tidy, high-waisted tailoring. A strong part of the collection was soft: dresses in jersey fabrics and country colors like moss green that had flashes of flesh at the side or bared backs.

Suzy Menkes

BOOKS

AN IRISH EYE

By John Hawkes. 160 pages. $22.95. Viking.

Reviewed by Carolyn See

IN his last novel, "The Frog," John Hawkes played around with a "French" voice and an antique Continental sensibility. It was interesting to read as an exercise, but it had an academic aura; you got the feeling you were reading to improve yourself, putting extra literary stars in your crown. In "An Irish Eye," Hawkes uses the same method, an "Irish" voice to tell an Irish story. He doesn't hold back, and it's marvelous fun to read — gross and low, foul and silly.

"An Irish Eye" is probably politically incorrect, racist, discriminatory and a few other things, but it has — within its fable form — a ring of crazy truth. The narrator is Dervla O'Shannon, a foundling, but, as she quickly points out, "Is there an Irish girl who is not?" She lives in the dismal town of Carrickfergus, in St. Martha's Home for Foundling Girls, close to St. Clement's Home for Old Soldiers, St. Claire's Hospital and a school for "proud boys" — "sons of this angry land" — St. George's.

Dervla is deliriously devout and dippily optimistic. She rhapsodizes about Foundling Mother, who runs the place "usually with an infant on one or both hips and perspiration shining on her lovely face," and about the food: "Oh, the glorious smells that filled our kitchen and arose even from our pails of slops." The 30 or so girls who live in the home are clothed by a seamstress in town "who made by hand but . . . not according to our needs the dark blue dresses that were the familiar uniform of St. Martha's," and great boxes of grotesquely mismatched shoes arrive, so that most of the girls, when they wear shoes at all, are forced to walk with a limp.

The foundling home is hell, in other words, but Dervla pronounces it wonderful. She's crazy about it, she embroiders upon it, she squanders words on it, she turns her leaden material into gold, the gold of her Irish voice.

At some point in this dank town where nobody gets a square meal and unwanted babies proliferate like dandelion seeds, somebody gets the idea to let the foundling girls visit the old soldiers.

Dervla is assigned to an amusing old geezer, Corporal Stark, who still wears his gas mask from World War I. They immediately strike up a romance. The foundlings over 10 years of age are more than willing to lose their status as good girls, but Stark tells Dervla he'll have nothing physical to do with her until she's 15. The plucky foundling feels put out; she's only 13 now, but she resigns herself to the wait.

Then the plot takes a turn. Dervla and her amiable geezer are out gamboling in the Irish countryside when an entire fox hunt careens by and Stark is struck in the head by a horse's hoof. They are taken to a great manor (called the Great Manor), where Dervla is immediately imprisoned in the kitchen and made to work her fingers to the bone for the mysterious owners. She learns to carry tea trays and gets a hint of the world of un-foundlings: "There was cake, there were kippers, there was an immense bowl of boiled eggs soft in the middle, and rashers of bacon that was mainly fat and hence a treat for anyone trying to survive in our nation, native-born or not."

But even in the Great Manor, the head housekeeper takes care of another unwieldy bundle of foundlings, wretched little semi-infants who come in on the food chain somewhere beneath the cats and dogs.

Soon Dervla, stricken with fever, finds her way to the Great Bed in the master bedroom, a decaying linen midden that she shares with an energetic nest of mice. The manor owners are Anglo-Irish, of course, decayed Protestants, in almost as bad a shape as those wretched old soldiers and foundling girls. There's the obligatory Swiftian reference, the comparison of roast pig to spitted baby, and more dirt, goo, mud, manure, slop and stench than can be imagined, but Dervla makes a story out of it. It's some story! Foundlings and lard and misery and high spirits. Hawkes writes it with affection, and it's a pleasure to read.

Carolyn See reviews books regularly for The Washington Post.

CHESS

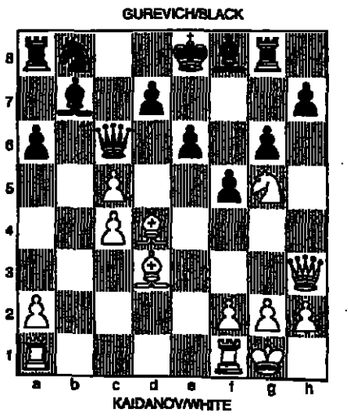
By Robert Byrne

THE game between the grandmasters Gregory Kaidanov of Pittsburgh and Dmitri Gurevich from the fourth round of the United States Invitational Championship shows what happens when a player uncovers instability in a maybe too-adventurous defense.

The rare defense with 2...a6 3 Nc3 c5 hopes to get White to advance 4 d5 and then transpose into a Benoni formation with ...e6,...ed, ...g6, ...d6, ...Bg7, meanwhile picking a moment to thrust ...b5, which may or may not involve a pawn sacrifice as in the Benko Gambit. Kaidanov, however, subverted the plan with 4 dc. If Gurevich had played 4...Qa5, then 5 Bd2 Qc5 6 e4 would head toward a Maroczy bind in which Black would soon have to expend an additional tempo or two to relocate his exposed queen.

On 5 e4, Gurevich did not want to go into 5...Bc5 6 e5 Ng8 because 7 Ne4 is strong for White. But in playing 5...Qc7, he let Kaidanov defend his pawn with 6 b4!, secure in the calculation that 6...a5? could be put down sharply by 7 Nb5!

GUREVICH/BLACK



KAIDANOV/WHITE

Position after 16 . . . Rg8

Qe5 8 Be3 Na6 9 Nf3 Qe4 10 Bd3 Qg4 11 h3 Qh5 12 Ke2!, threatening to trap the queen with 13 g4.

Gurevich quickly recovered his pawn with 6...Ne4 7 Ne4 Qe5 8 Be3 Qe4, but after 9 Nf3 b6 10 Bd3 Qb7, Kaidanov had a great lead in development.

He immediately went to work with 11 Ng5!; Gurevich, after 11...bc 12 bc, could not capture with 12...Qb4 13 Kf1 Bc5 because 14 Rb1 Qa5 15 Bc5 Qc5 16 Qf3 Qa7 17 Qf7 Kd8 18 Qg7 Re8 19 Nf7 Ke7 (or 19...Kc7 20 Qe5 d6 21 Qd6 mate) 20 Be4 Nc6 21 Bc6 dc 22 Rd1 Bd7 23 Ne5 is annihilating.

Gurevich should have tried 12...Nc6, but after 13 Rb1 Qa7 (or 13...Qc7? 14 Qf3 f6 15 Qh5 g6 16 Bg6 hg 17 Qg6 Ke7 18 Qf7 Kd8 19 Qf6 Ke8 20 Qh8) 14 Ne4 Rb8 15 Nd6 Bd6 16 cd Rb1 17 Bb1 Qb7 18 O-O, White stands clearly better with the bishop pair, control of a preponderance of terrain and a coming mating attack.

On the other hand, 12...f5 further delayed Black's mobilization, and it didn't stop Kaidanov from attacking. Gurevich could have played 15...Ke7, but then 16 Nf3 Kd8 17 Rab1 Kc7 18 Rb6 Qa4 19 Be5 d6 20 Rfb1 Bc6 21 Qf7 Nd7 22 Nd4 is a slaughter.

After 15...g6 16 Qh3 Rg8, Kaidanov demolished the defense with 17 Be4! fe18 Qh7. Since 18...e3 would accomplish nothing against 19 Qf7 Kd8 20 Nf3, Gurevich staggered on with 18...Rg7 19 Bg7 Qc5, but after 20 Bf6!, he had only a choice of 20...Qe7 21 Be7 Be7 22 Qg8 Bf8 23 Qf7 or 20...Be7 21 Qg8 Bf8 22 Qf7 mate, and gave up.

QUEEN'S PAWN OPENING

White Kaid'nov	Black Gur'vich	White Kaid'nov	Black Gur'vich
1 d4	Nf8	11 Ng5	bc
2 c4	a6	12 bc	f5
3 Nc3	c5	13 0-0	Qc8
4 dc	e6	14 Bd4	Bb7
5 e4	Qc7	15 Qh5	g6
6 b4	Ne4	16 Qh3	Rg8
7 Ne4	Qe5	17 Be4	fe
8 Be3	Qe4	18 Qh7	Rg7
9 Nf3	b6	19 Bg7	Qc5
10 Bd3	Qb7	20 Bf6	Resigns

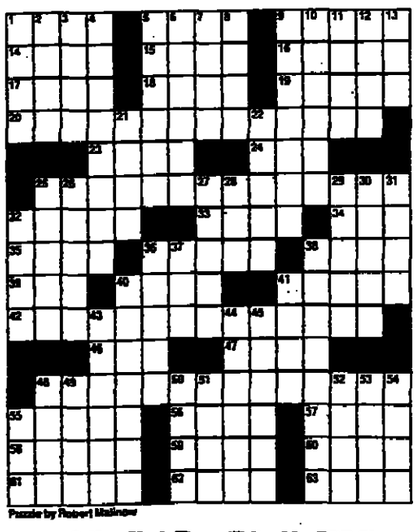
CROSSWORD

ACROSS

1 Struck, old-style
8 Uneven hairdo
9 Winery in Modesto, Calif.
14 Yesterday's dinner today
15 Smog
16 To do — (tutively)
17 Actor John, once married to Shirley Temple
18 Appliance on a board
19 Greene of "Bonanza"
20 "The Lone Ranger" catch-phrase
23 Carryall
24 "Eureka!"
25 "The Honeymooners" catch phrase
32 Monte —
33 Filleted fish
34 One with filling work?: Abbr.
35 Woodwind
36 Ground grain
38 Big elephant features
39 Announcer Pardo
40 Chimney duct
41 "God bless" preceder
42 "The Goldbergs" catch phrase
46 Spanish gold
47 Rebellious one, maybe
48 "Star Trek" catch phrase
55 In concealment
56 Report cards' stats
57 Pained look
58 Writer Nin
59 Needle case
60 College in New Rochelle
61 Whom Jason jilted
62 Part to play
63 Hatfields or McCoys, e.g.

DOWN

1 — of Iran
2 Travelers to Bethlehem
3 "—, old chap!"
4 Choke
5 Many an Iranian
6 Home of poet Langston Hughes
7 Asia's Sea of —
8 Trait carrier
9 Lancelot's son
10 Promise
11 Zhivago's love
12 Streaked
13 Matador's cheer
21 It borders Regent Street
22 Charged
25 Pork, to a Jew, e.g.
26 Maine campus town
27 Willow
28 Circus cries
29 Popular potato
30 Modern "book"
31 Where an Edsel filled up, maybe
32 Wild West Show star
36 Despondency
37 — — and Coke
38 Business-related
40 Where Taipei is
41 One of the Baldwins
43 Grinder
44 State capital on the Mississippi
45 Singer Smith
48 Rib, for one
49 "Heavens to Betsy!"
50 Elbe tributary
51 — — no good
52 Cat's-paw
53 Cape Cod catch
54 Bear young, as sheep
55 Beaver's work



Puzzle by Robert Mallinow

Solution to Puzzle of Oct. 13

S	C	T	V		B	A	A	L		S	C	R	E	W
A	L	O	E		E	M	M	A		C	L	A	R	O
S	E	L	L		F	O	O	T		A	A	R	O	N
H	O	L	O	Y	O	U	R	H	O	R	S	E	S	
			T	U	R	N		P	E	P				
F	A	A		M	E	T	E	R	E	D		B	A	N
A	B	R	A	M			A	I	R		A	L	I	A
M	I	N	O	Y	O	U	R	M	A	N	N	E	R	S
E	D	I	E		V	A	N			J	I	N	S	E	T
D	E	E		C	A	R	S	E	A	T		S	S	E
			O	R	R			A	C	R	E			
	B	I	T	E	Y	O	U	R	T	O	N	G	U	E
S	A	N	T	A		A	R	L	O		T	A	S	S
O	C	T	E	T		T	S	A	R		E	V	E	S
S	H	O	R	E		S	A	P	S		R	E	D	O

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s - salad + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o- New; S - suspended; SIS - stock Split; * - Ex-Dividend; ** - Ex-Rts; - @ Offer Price incl. 3% presin. charges; - Paris exchange; ++ -Amsterdam exchange; e - subsquared earlier; z-not replaced with regulatory authority, P: Middle of bid and offered price. E: estimated price; y: price calculated 2 days prior to publication; x: bid price.

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AIR CANADA
A Breath of Fresh Air

International Herald Tribune
BUSINESS/FINANCE
R
TUESDAY, OCTOBER 14, 1997

AIR CANADA
A Breath of Fresh Air

Doug Wilson/The New York Times

Sam Reich-Dagnen, left, an on-line producer whose underground Web magazine has been put "on hiatus," and John Neilsen, vice president of the Red West division, who says ease of use is now the priority at the network.

Re-Geeking the Chic at Microsoft

For Experimental MSN, Pragmatism and Profits Rule the Day

By Amy Harmon
New York Times Service

REDMOND, Washington — Morale is not running high these days in Building E on Microsoft's Redmond West campus, the hangout for the black-clad creative types that the software giant hired to build a chic media business.

"I can show you Mint, the dead project," Sam Reich-Dagnen, an on-line producer, offers with more than a trace of sarcasm. Ms. Reich-Dagnen said the underground Web magazine she created — a critical success with a core of devoted twenty-something readers — has been put "on hiatus."

The mood is scarcely cheerier next door in the office of Michael Goff. Mr. Goff, former editor of the gay lifestyle magazine Out, was hired a year ago to lead the editorial side of Microsoft's on-line city guides, but now spends much of his time on practical but unglamorous licensing deals for MSN, the company's on-line service.

It has been two years since Microsoft set up this satellite campus near the corporate headquarters where the company churns out its ubiquitous, utilitarian Windows operating system and productivity programs like the Excel spreadsheet. The environment at Red West was to be distinctly different. And so were the products.

But after spending about $1 billion chasing the evanescent business of entertainment and media, Microsoft is finding that the Red West products it likes best are those that bear the strongest resemblance to the pragmatic productivity software packages it already knows so well. As a result, such on-line "shows" as Mint are giving way to such "services" as an on-line home-buying guide code-named Boardwalk.

The shift may be caused in part by a corporate culture so rooted in binary logic and market domination that Microsoft management simply could not grasp the gut-instinct, hit-driven gestalt of the media industry — whose profit margins typically fall far short of the 35 percent levels that have made Microsoft the world's dominant software maker.

See MICROSOFT, Page 14

Guinness, GrandMet and LVMH Clear Way for $37.3 Billion Deal

Compiled by Our Staff From Dispatches

LONDON — LVMH ended its opposition Monday to the $37.3 billion merger of Guinness PLC and Grand Metropolitan PLC after an agreement gave the French company control of most of the beverage-distribution network of the new company, a seat on the board and £500 million ($810.5 million) in cash and special dividends.

LVMH Moet Hennessy Louis Vuitton SA will now include GrandMet's liquor brands in its joint distribution network with Guinness and stop legal action that could have banned the merged company from major markets. This threat, plus LVMH's purchase of 11 percent of GrandMet, brought the two British companies to the bargaining table and got LVMH a £250 million payment to "bury the hatchet," Bernard Arnault, the chairman of LVMH, said. LVMH will receive another £250 million as a one-time dividend from the merged British companies.

Guinness's chairman, Tony Greener, said the cash was "absolutely not a payoff" to Mr. Arnault, who had wanted a three-way merger of the companies' liquor operations and was using his stakes in the British companies to try to block the deal. Mr. Greener said the payment reflected "additional benefits" to Guinness's businesses resulting from the agreement.

Guinness and GrandMet announced in May the plan to form GMG Brands PLC, saying the merged company would operate on a "truly international scale" and would have a market capitalization of more than £23 billion.

GMG Brands would be the world's biggest liquor producer in sales terms, with such brands as Johnnie Walker and Gilbey's. It also would own Burger King restaurants, Pillsbury food products and the Guinness beer brands. LVMH is the largest luxury-products company in the world. Its brands include Christian Dior, Louis Vuitton, Moet & Chandon, Veuve Clicquot and Hennessey.

LVMH, Guinness's biggest shareholder, with 14 percent, would have been pushed to the sidelines by that deal. Mr. Arnault proposed instead setting up a liquor company with all three companies' brands, in which LVMH would have 35 percent. Under Mr. Arnault's plan, the food and beer businesses would have been spun off, as he said mixing Burger King with drinks was "incoherent." But the British companies rejected his plan, and the three had been locking horns ever since. Some analysts said Monday's settlement represented a major concession by Mr. Arnault.

"GMG Brands seems to have walked away with by far the better deal," one London-based analyst said. "Arnault has backed into a corner."

But Cedric Magnelia of CS First Boston said that from an operational standpoint, the deal was good. "You get synergies through all the distribution ventures, and they're sharing overhead." Financially, the deal is positive for LVMH, he said, adding that he did not believe the group had overpaid for the stake it would have in GMG.

"I don't believe the story's over," Mr. Magnelia said. "I think LVMH still wants to break up GMG Brands, and Arnault will be looking for partners, large food or brewing companies."

Mr. Greener, the Guinness chairman, said the timetable for the GrandMet-Guinness merger, scheduled for the end of the year, was unchanged.

Guinness shares rose 29 pence to close at 605. Grand Met also ended at 605, up 22. In Paris, LVMH finished at 1,248 francs ($212.86), up 25.

(Bloomberg, Reuters, AFX)

Thomson-CSF Buyers Set

3 Defense Firms to Share Part of State's Stake

Bloomberg News

PARIS — The government said Monday it had chosen Alcatel Alsthom SA, Aerospatiale and Dassault Industries SA to buy part of its 58 percent stake in Thomson-CSF, the largest defense electronics company in Europe.

It did not say how Thomson-CSF's capital would be divided among its future partners, saying only that the state would retain "more than 35 percent" of the company.

The move is part of an effort to consolidate the French defense industry and join a Europewide regrouping after such rivals as Boeing Co. and Lockheed Martin Corp. concluded a string of mergers and acquisitions over the past few years that reshaped the U.S. defense industry.

"Our aim is to build a group open to further alliances, both European and French, in order to respond to heightened competition in the defense industry," a statement from the office of Prime Minister Lionel Jospin said.

In the past 18 months, France has put its stake in Thomson-CSF up for sale twice, only to cancel the offer both times.

In the most recent case, Alcatel joined with Dassault to put in one bid, and Lagardere SCA allied with Daimler-Benz Aerospace AG of Germany to put in another.

That sale was called off shortly after the Socialists won the general election and took office in June. Officials have said the new government will retain holdings in state assets rather than sell them outright.

Thomson-CSF is the third-largest defense electronics company in the world, after Lockheed Martin and Raytheon Co. of the United States.

The French government said it had asked Thomson-CSF to start talks immediately with Aerospatiale, Alcatel and Dassault Industries to reach agreement on wider "industrial cooperation."

Within Thomson-CSF, the government said it would regroup Alcatel's space and military defense activities, the defense and electronics businesses of Dassault's Dassault Electronique SA unit, and the satellite businesses of the state-owned planemaker Aerospatiale.

The government followed the recommendations of a recent French parliamentary report that said the best way to reorganize the country's defense industry would be through a merger of Aerospatiale, Dassault Aviation and Thomson-CSF.

"The government intends to create a major defense and electronics pole around Thomson-CSF, supported by a strong public shareholder," the prime minister's office said.

Thinking Ahead /Commentary

Look for the Euro to Turn Out Strong

By Reginald Dale
International Herald Tribune

WASHINGTON — In the often confused debate over Europe's single currency, it is widely assumed that the euro will prove a feeble competitor in the world's foreign-exchange markets, especially against the dollar.

That assumption should be challenged. There are good reasons the euro is more likely to be strong. But Europe's — especially Germany's — leaders have not been doing a good job of explaining them.

Instead, the euro's presumed weakness has been increasingly taken for granted as more and more countries seem likely to join in its debut in January 1999.

It seems to stand to reason that once Portuguese escudos, Spanish pesetas and maybe Italian lire are added to the mix, the euro will not be as strong as it would be if limited to a hard core of France, Germany and a few other sturdy North European participants.

That is precisely the fear that lies behind the reluctance of so many Germans to abandon the Deutsche mark, the biggest political obstacle still in the euro's path.

Plenty of Germans might feel their concern was justified by the collapse of the Italian government last week after it failed to push through needed austerity measures. If Germany's leaders are to overcome those fears, they should start now, rather than trying, like Chancellor Helmut Kohl, to postpone the debate.

When Germans say they want a strong euro, they usually mean they want it to be as good a store of value as the mark. They do not want inflation to erode what their money and their pensions can buy inside Germany. They are not talking about the euro's external exchange rate.

Of course, the two things are closely connected. If the euro were persistently weak against the dollar, inflation could creep in via higher import prices, especially for oil.

The currency will be backed by vast reserves, a relatively high savings rate and a growing current-account surplus.

But with the euro, Germans will no longer have to worry about their exchange rate vis-à-vis most of their main trading partners, who would share the same currency. In fact, the euro zone's trade with the outside world, as a proportion of its overall output, would be smaller than that of the United States, reducing Europe's vulnerability to exchange-rate changes.

Provided the euro stayed relatively stable against the dollar, it would not matter too much if it fluctuated up and down, especially if the current low-inflation climate in Europe were to continue. And there is a good chance that the euro will be stable.

As J. Paul Horne of Smith Barney Inc. in Paris has pointed out, the euro will be backed by the world's second-largest economic zone after the dollar, by vast combined foreign-exchange reserves, by a higher savings rate than the United States and, unlike the United States, by a growing current-account surplus.

The new European central bank will want to be tough on inflation to establish its credentials. It will have the best state-of-the-art monetary instruments at its disposal and price stability as its prime objective.

There is no reason the new bank's Spanish or Italian representatives should be any less tough than their German colleagues. As it is, inflation today is lower in Italy and Spain than it is in Germany, and the presence of the Latin countries would probably push interest rates higher, not lower.

That much has already been acknowledged by the Bundesbank, which last week began to nudge interest rates upward, at least partly to bring German rates closer to the European average in preparation for the euro's arrival.

That should be a sign to Germans and everyone else that the Bundesbank does not intend to bow out by bequeathing Europe a weak and inflation-prone euro.

CURRENCY & INTEREST RATES

Cross Rates

Oct. 13

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9751	3.2045	1.1264	0.3356	0.1147*	—	5.4585*	1.3487	1.6319*	1.432	1.335*
Brussels	36.115	58.515	20.6365	6.1475	2.1084*	18.32	—	24.70	0.298	26.09	34.46*
Frankfurt	1.753	2.8494	—	0.2979	0.1018*	0.8878	4.8461*	1.1986	1.4475*	1.273	1.1855*
London (a)	1.4731	—	2.8484	9.538	2,791.98	3.2008	58.6580	2.2279	196.1192	2.2407	239.7157
Madrid	147.946	240.142	84.372	25.135	0.591*	74.906	4.0886	100.522	122.229*	107.254	—
Milan	1,721.60	2,795.40	982.00	292.47	—	871.15	47.598	1,177.55	14.286	1,258.15	11.643
New York (b)	—	1.6245	1.7565	5.875	1,717.08	1.9715	36.12	1.442	120.886	1.3809	147.88
Paris	5.886	9.55	3.3567	—	0.3418*	2.9880	0.1627	4.0995	4.8633*	4.3671	3.9765*
Tokyo	120.70	195.22	68.63	20.45	0.698	60.94	3.3249	82.39	—	87.36	0.8836
Toronto					Closed*						
Zurich	1.44	2.3752	0.8235	0.249	0.0851*	0.7409	4.8402*	—	1.2715*	1.0886	0.989*
1 ECU	1.1297	0.6967	1.9851	6.5963	1,929.92	2.2134	40.5515	1.6492	135.635	1.5459	165.792
1 SDR	1.3693	0.8444	2.421	8.1047	2,368.32	2.6859	49.649	0.4	165.963	1.8836	201.426

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Libid-Libor Rates

Oct. 13

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅝	3⅜ - 3½	1⅝ - 1¾	7⅛ - 7¼	3¼ - 3½	⅜ - ½	4⅜ - 4½
3-month	5⅝ - 5¾	3½ - 3⅝	1⅝ - 1¾	7¼ - 7⅜	3½ - 3⅝	⅜ - ½	4½ - 4⅝
6-month	5¾ - 5⅞	3⅝ - 3¾	1⅞ - 2	7⅜ - 7½	3⅝ - 3¾	½ - ⅝	4⅝ - 4¾
1-year	5⅞ - 6	3⅞ - 4	2 - 2⅛	7½ - 7⅝	3⅞ - 4	½ - ⅝	4¾ - 4⅞

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	275.93	Mex. peso	7.746	S. Afr. rand	4.666
Australian $	1.3541	Hong Kong $	7.7339	N. Zealand $	1.547	S. Kor. won	913.90
Austrian sch.	12.333	Hung. forint	193.99	Norw. krone	7.0118	Swed. krona	7.5705
Brazil real	1.0982	Indian rupee	36.21	Phil. peso	32.75	Taiwan $	28.48
Chinese yuan	8.3141	Indo. rupiah	3410.00	Polish zloty	3.39	Thai baht	35.75
Czech koruna	32.59	Irish £	0.6872	Port. escudo	178.06	Turkish lira	175655.
Danish krone	6.6767	Israeli shek.	3.4942	Russ ruble	5872.00	UAE dirham	3.671
Egypt. pound	3.40	Kuwaiti dinar	0.3038	Saudi riyal	3.75	Venez. boliv.	497.70
Fin. markka	5.2526	Malay. ring.	3.1355	Sing. $	1.539		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6205	1.6183	1.6163	Japanese yen	120.50	119.97	119.43
Canadian dollar	1.3754	1.3731	1.3708	Swiss franc	1.4625	1.4608	1.4589
Deutsche mark	1.7493	1.7461	1.7427				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	Clsd.	5⅝
90-day CDs dealers	—	5.65
180-day CP dealers	—	5.52
3-month Treasury bill	—	4.98
1-year Treasury bill	—	5.24
2-year Treasury bill	—	5.83
5-year Treasury note	—	6.02
7-year Treasury note	—	6.07
10-year Treasury note	—	6.14
30-year Treasury bond	—	6.42
Merrill Lynch 30-day RA	—	5.09
Japan		
Discount rate	0.50	0.50
Call money	0.42	0.42
1-month interbank	0.46	0.46
3-month interbank	0.47	0.47
6-month interbank	0.50	0.50
10-year Govt bond	1.96	2.00
Germany		
Lombard rate	4.50	4.50
Call money	3.45	3.42
1-month interbank	3.45	3.45
3-month interbank	3.65	3.65
6-month interbank	3.75	3.75
10-year Bund	5.76	5.61

Britain		
Bank base rate	7.00	7.00
Call money	7.00	7⅛
1-month interbank	7⅛	7⅛
3-month interbank	7¼	7¼
6-month interbank	7⅜	7⅜
10-year Gilt	6.44	6.51
France		
Intervention rate	3.30	3.30
Call money	3⅛	3³⁄₁₆
1-month interbank	3⁵⁄₁₆	3⁵⁄₁₆
3-month interbank	3½	3½
6-month interbank	3⅝	3⅝
10-year OAT	5.60	5.61

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	328.35	−0.55
London	328.95	328.20	−0.70
New York	330.90	329.80	−1.40

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

PRIVATE BANKING

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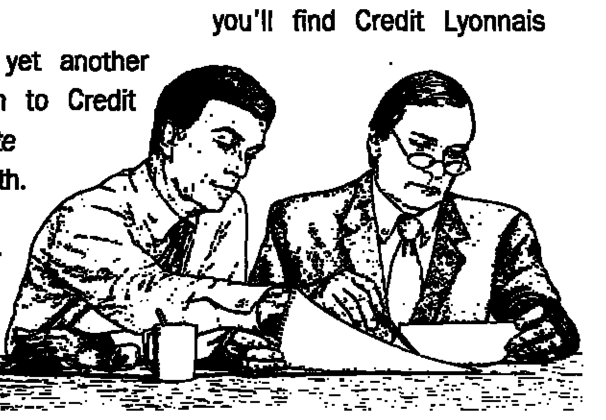

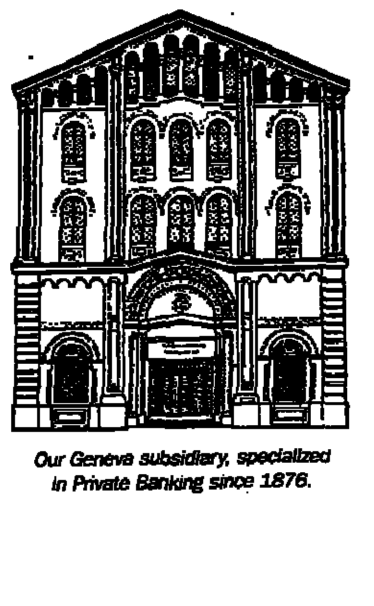

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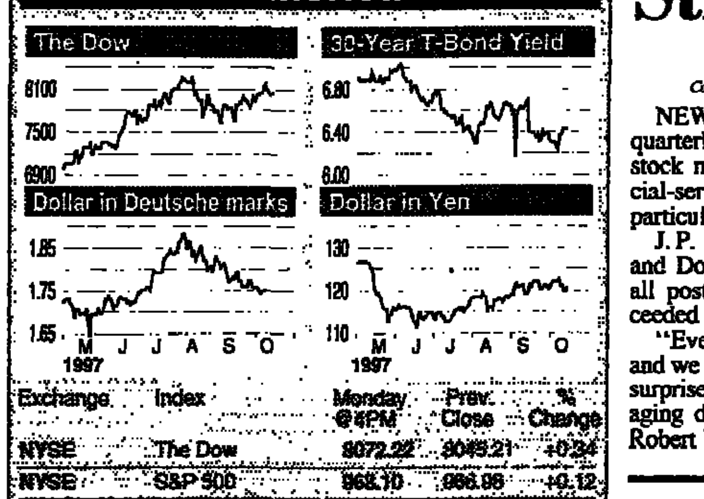
THE AMERICAS

Investor's America



Exchange	Index	Monday @4PM	Prev. Close	% Change
NYSE	The Dow	8072.22	8045.21	+0.34
NYSE	S&P 500	968.10	966.98	+0.12
NYSE	S&P 100	932.29	930.69	+0.17
NYSE	Composite	507.40	506.85	+0.11
U.S.	Nasdaq Composite	1742.11	1739.03	+0.18
AMEX	Market Value	716.57	717.37	-0.11
Toronto	TSE Index	Closed	7110.41	-
São Paulo	Bovespa	12688.01	12737.39	-0.39
Mexico City	Bolsa	5245.57	5262.08	-0.31
Buenos Aires	Merval	824.52	824.24	+0.03
Santiago	IPSA General	5326.84	5331.12	-0.08
Caracas	Capital General	N.A.	10478.46	-

Source: Bloomberg, Reuters International Herald Tribune

Strong Profit Reports Cheer Wall Street

Compiled by Our Staff From Dispatches

NEW YORK — A batch of strong quarterly earnings reports lifted the stock market Monday, with financial-services companies turning in a particularly strong showing.

J. P. Morgan, Travelers Group and Donaldson, Lufkin & Jenrette all posted results that met or exceeded analysts' expectations.

"Everyone's focused on earnings, and we shouldn't see many negative surprises," said Jim Herrick, managing director in equity trading at Robert W. Baird & Co. in Milwaukee. "If a company is in tune with investors and the market, it will have already preannounced bad results."

The Dow Jones industrial average advanced 27.01 points to 8,072.22,

U.S. STOCKS

while gaining issues outnumbered losing ones by a 5-to-4 ratio on the New York Stock Exchange.

The Standard & Poor's 500-share index rose 1.12 to 968.10.

A week into the latest earnings season, companies on average have topped expectations. Of the 65 companies in the S&P 500 to report profits this quarter, 35 have exceeded forecasts.

J. P. Morgan said it earned $396 million in the third quarter, up from $276 million a year earlier, as strong growth in its investment-banking and asset-management businesses helped lift revenue to $1.92 billion from $1.55 billion. Its shares closed 1 11/16 higher at 120⅝.

Earnings at Donaldson, Lufkin & Jenrette rose to a record $120.3 million from $56.1 million a year earlier, primarily because of strong growth in underwriting and fees from advising companies on mergers and acquisitions. Its shares closed ½ higher at 76.

Travelers posted a 29 percent increase in profit, led by growth at its Smith Barney brokerage unit. Its shares rose 13/16 to 75 5/16.

Syquest Technology was the most actively traded stock, falling ½ to 5 3/16 on concern about long-term prospects for the maker of data-storage devices.

(Bloomberg, AP)

Outlook For Japan Sinks Yen

Bloomberg News

NEW YORK — The dollar rose against the yen Monday after Japanese government figures showed that the economy remained in the doldrums, souring investors on assets in yen.

Japanese imports showed their biggest monthly decline in more than a year, the government said, and machinery orders fell as well. The reports indicated that an April tax increase was continuing to sap consumer spending, and it

FOREIGN EXCHANGE

deepened expectations that interest rates will remain at historic lows. Pessimism over the economy also helped push Japanese stocks to their lowest level in more than two years.

"Machine orders were weaker than expected, while the crumbling of imports shows a lack of domestic demand," said Marc Chandler at Deutsche Morgan Grenfell.

At 4 P.M. in New York, the dollar rose to 120.885 yen from 119.850 yen Friday, to 1.7505 Deutsche marks from 1.7495 DM, to 5.8750 French francs from 5.8725 francs and to 1.4620 Swiss francs from 1.4555 francs. The pound rose to $1.6245 from $1.6218.

MICROSOFT: *Putting the Brakes to a Free-Wheeling Experiment on the Web*

Continued from Page 13

But mainly, the re-geeking of the chic at Microsoft has a simpler explanation: Even the hippest on-line programming and the most sophisticated literary efforts that have been floated on MSN and the World Wide Web have not drawn enough of an audience to make money.

Many of MSN's shows were "spectacularly unsuccessful" said Pete Higgens, vice president of Microsoft's Interactive Media Group, citing as an example How Long?, which addressed questions cosmic and mundane about time and space.

A service like Carpoint, on the other hand, is well on its way to breaking even, thanks to ads from car dealers. It started as a collection of articles and reviews about cars and trucks but has evolved into a complex database connecting dealers with customers.

And Expedia, a Web site where travelers can book flights — and where the only semblance of fun involves mouse-clicking on continually updated plane charts to make seat selections — is expected to sell more than $100 million in airline tickets this year, of which Microsoft receives a portion in commissions.

On-line these days, pragmatism seems to be more profitable than inspiration. Which is why Microsoft's evolving new-media strategy is retreating from art and entertainment and emphasizing instead services that help consumers find information and buy things.

Microsoft brass is thought to be so disenchanted with Red West's performance that rumors began circulating that the company was planning to sell MSN. The service so far has garnered 2.3 million subscribers, compared with America Online's 10 million — despite the fact that MSN comes already installed on millions of new personal computers.

David Readerman, a software analyst at Montgomery Securities, said the network lost as much as $250 million last year.

The company denied the rumors about a sale and said the company remained committed to MSN. The company has, moreover, given the network a makeover that emphasizes function over form, with easier-to-use e-mail and a new schedule of programming more heavily weighted toward fare like "A Click Away," an interactive directory of Web sites.

The utilitarian ideology is being applied across the board to Microsoft's media properties, which besides MSN include MSNBC, an on-line news venture with NBC.

At Sidewalk, Microsoft's on-line city guides, even modest gestures in the direction of editorial content without a specific purpose have been scrapped. Kevin Delaney, a television producer who came to New York Sidewalk from VH1 and Nickelodeon, said he quit this summer when it became apparent that "what I had been hired to do no longer fit in with the philosophy of the service."

John Neilsen, vice president of the Red West division that includes Carpoint and Sidewalk, said ease of use is now the priority. "We're a bunch of utilitarian software geeks here," said Mr. Neilsen, who spent 10 years on Microsoft's main campus. "You've got to know your limitations."

Microsoft executives suggest the emergence of a new definition of entertainment — an on-line world where "fun" is surfing for information and putting it to use in daily life. "I spent two hours last night playing with Carpoint," said Laura Jennings, an MSN vice president. "I consider that entertaining."

But with a $9 billion cash reserve, some contend that Microsoft has been too hasty in backing away from its experiments in entertainment.

"When you make a commitment to a new entertainment medium, it takes more than six months to establish whether people are interested," said Tim Nye, chief executive of Sunshine Interactive, which is producing an MSN role-playing game called "Vanishing Point" that is set to go on-line early next year.

Very briefly:

- **Pharmacia & Upjohn Inc.** said it would move its headquarters from London to an unspecified location in the United States as it sought to increase sales in America, the world's largest market.
- **Coca-Cola Co.**'s chairman and chief executive, Roberto Goizueta, was in critical condition after developing a throat infection while being treated for lung cancer. James Williams, chief executive of **SunTrust Banks Inc.**, will serve as chairman at the company's board meeting Thursday.
- **L.A. Gear Inc.** named David Gatto as chairman and chief executive after **PCH Investments LLC** bought a 42 percent stake in the sportswear company for an undisclosed amount.
- **Gannett Co.**'s third-quarter earnings rose a better-than-expected 37 percent, to $152.5 million, thanks to strong advertising sales at its newspapers and lower newsprint costs.
- **Brazil** is seeking permission from Japan's Ministry of Finance to sell 200 billion yen ($1.65 billion) of samurai bonds.
- **Hospitality Properties Trust**, a real-estate investment trust, agreed to buy nine hotels, seven of which are still under construction, from **Marriott International Inc.**, for $129 million.

Bloomberg, AP

Weekend Box Office

The Associated Press

LOS ANGELES — "Kiss the Girls" dominated the U.S. box office over the weekend, with a gross of $11.1 million. Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday.

1. Kiss the Girls	(Paramount)	$11.1 million
2. Seven Years in Tibet	(Tristar)	$10.0 million
3. Soul Food	(Twentieth Century-Fox)	$5.4 million
4. In & Out	(Paramount)	$5.3 million
5. The Peacemaker	(DreamWorks)	$5.2 million
6. Rocket Man	(Walt Disney)	$4.4 million
7. L.A. Confidential	(Warner Bros.)	$3.7 million
8. The Edge	(Twentieth Century-Fox)	$3.3 million
9. Most Wanted	(New Line Cinema)	$3.0 million
10. Gang Related	(Orion Pictures)	$2.5 million

ICG to Acquire Netcom

Bloomberg News

ENGLEWOOD, Colorado — ICG Communications Inc. said Monday it would buy the Internet service provider Netcom On-Line Communications Services Inc. for $283.5 million in stock, or about $22.65 a share.

The accord reflected a recent trend toward combinations by phone and Internet companies.

For Netcom holders, the price represented about a 50 percent premium to Friday's closing stock price of $15.125. Netcom's shares closed Monday at $21.125, up $6, while ICG fell $1 to $25.25.

The acquisition would combine ICG, which provides local, long-distance and data services, with Netcom, one of the earliest commercial services to connect customers to the Internet. The companies hope to provide "one-stop shopping," consolidating their services to customers on a single bill.

The move follows similar combinations by companies including WorldCom Inc., which plans to buy the Internet units of CompuServe Corp. and America Online Inc. and has made a bid for MCI Communications Corp., one of the top Internet service providers.

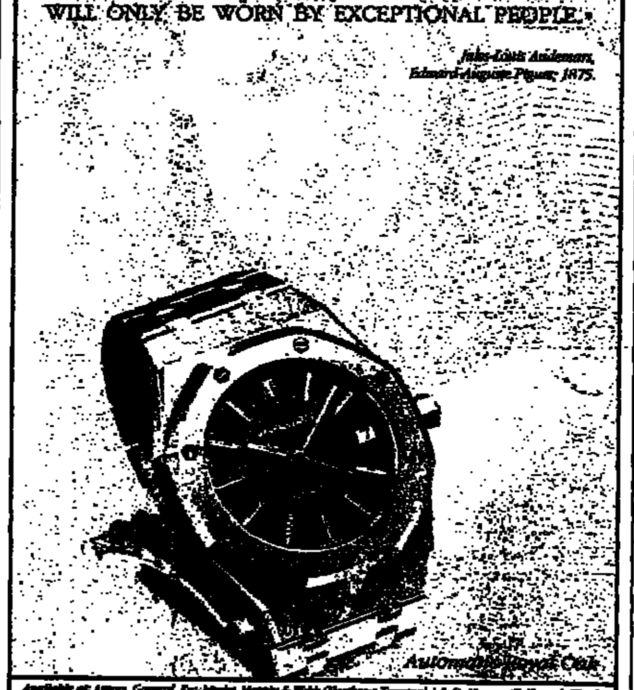
AMEX

Monday's 4 P.M. Close

The 300 most traded stocks of the day, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]



Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INTERNATIONAL FUTURES

Oct. 13, 1997

	High	Low	Latest	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	295	287½	291	+2½	205,021
Mar 98	304	296	300	+3	74,838
May 98	308½	301½	304½	+1½	19,710
Jul 98	311½	303½	308	+2½	31,907
Sep 98	297	292	294¼	+1½	2,262
Dec 98	294½	289	291¼	+1¼	19,912
Jul 99	305½	303	305	+2	179
Est. sales N.A. Fri's sales 138,495					
Fri's open int 367,699, up 13,660					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Oct 97	242.50	230.50	240.70	+9.10	4,636
Dec 97	239.50	226.50	236.00	+8.60	43,280
Jan 98	237.50	224.50	234.10	+8.50	17,442
Mar 98	234.00	221.00	230.00	+7.80	16,825
May 98	231.00	219.00	227.50	+7.40	16,171
Jul 98	231.50	220.00	228.40	+7.10	9,841
Est. sales N.A. Fri's sales 42,300					
Fri's open int 116,761, up 2,598					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Oct 97	24.61	24.27	24.59	+0.30	2,151
Dec 97	24.99	24.52	24.89	+0.23	54,692
Jan 98	25.25	24.79	25.14	+0.21	20,379
Mar 98	25.47	25.00	25.34	+0.22	11,067
May 98	25.60	25.12	25.55	+0.25	7,310
Jul 98	25.75	25.30	25.74	+0.34	7,295
Est sales N.A. Fri's sales 26,832					
Fri's open int 104,774, up 365					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Nov 97	729	695	719½	+19¼	93,099
Jan 98	733	700	724½	+19¾	36,620
Mar 98	741	706	729¼	+17¼	17,146
May 98	744	713	736	+19¼	14,096
Jul 98	750	717½	741½	+20	12,460
Est sales N.A. Fri's sales 106,870					
Fri's open int 179,922, up 1,173					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	373½	364½	371¼	+6	61,732
Mar 98	385	377	383¾	+5¼	26,631
May 98	391½	381	390½	+5½	5,179
Jul 98	391½	386	390½	+3½	11,893
Est. sales N.A. Fri's sales 24,677					
Fri's open int 112,026, up 1,521					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Oct 97	67.87	67.50	67.82	+0.42	8,485
Dec 97	67.40	67.05	67.20	+0.25	42,661
Feb 98	70.07	69.65	69.92	+0.32	19,340
Apr 98	73.50	73.12	73.47	+0.50	11,910
Jun 98	70.42	70.20	70.42	+0.47	8,302
Aug 98	70.25	69.55	70.10	+0.67	2,764
Est. sales 10,052 Fri's sales 9,593					
Fri's open int 94,436, off 696					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Oct 97	77.75	77.15	77.42	+0.35	3,186
Nov 97	77.97	77.55	77.65	+0.30	7,048
Jan 98	78.80	78.35	78.40	+0.22	4,166
Mar 98	78.67	78.17	78.30	+0.30	2,206
Apr 98	78.85	78.30	78.40	+0.20	791
May 98	79.65	79.25	79.35	+0.15	698
Est. sales 1,933 Fri's sales 3,966					
Fri's open int 18,269, up 62					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Oct 97	68.17	67.57	67.75	-0.62	5,382
Dec 97	62.25	61.60	62.20	+0.42	19,811
Feb 98	62.00	61.20	61.97	-0.65	7,075
Apr 98	59.45	58.85	59.27	+0.42	2,676
Jun 98	65.20	64.60	65.05	+0.57	1,463
Est. sales 7,499 Fri's sales 6,643					
Fri's open int 38,631, up 341					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 98	62.20	60.40	61.75	+0.90	6,413
Mar 98	62.10	60.30	61.90	+1.10	732
May 98	63.80	62.00	63.80	+1.20	142
Est. sales 2,070 Fri's sales 1,270					
Fri's open int 7,431, off 18					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Dec 97	1681	1669	1676	+5	45,538
Mar 98	1713	1701	1707	unch.	26,004
May 98	1730	1727	1727	-1	12,343
Jul 98	1749	1745	1745	+1	3,670
Sep 98	1769	1762	1762	+1	4,736
Dec 98	1785	1779	1779	+2	9,086
Est. sales 5,360 Fri's sales 9,450					
Fri's open int 112,738, up 520					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Dec 97	168.90	164.00	167.90	+1.80	11,859
Mar 98	153.00	149.50	152.00	+1.00	6,792
May 98	147.25	145.00	147.25	+1.50	2,176
Jul 98	142.25	140.40	142.25	+1.50	2,366
Sep 98	137.25	136.00	137.25	+1.50	585
Est. sales 4,023 Fri's sales 3,262					
Fri's open int 24,214, off 410					
SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 98	11.97	11.82	11.85	-0.09	91,689
May 98	11.95	11.83	11.85	-0.08	23,457
Jul 98	11.82	11.73	11.74	-0.08	17,870
Oct 98	11.75	11.71	11.71	-0.09	15,316
Est. sales 9,733 Fri's sales 12,662					
Fri's open int 151,831, off 207					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Nov 97	67.10	66.00	66.55	-0.25	17,320
Jan 98	69.85	69.10	69.55	-0.40	12,144
Mar 98	72.90	72.20	72.55	-0.55	7,896
May 98	75.75	75.30	75.60	-0.20	2,037
Est. sales N.A. Fri's sales 18,126					
Fri's open int 40,699, up 1,172					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Oct 97	328.30	327.70	327.70	-1.20	146
Nov 97			328.40	-1.20	1
Dec 97	332.20	329.60	329.80	-1.40	92,487
Feb 98	333.40	330.90	331.00	-1.40	21,928
Apr 98	333.60	332.60	332.60	-1.40	5,991
Jun 98	335.40	334.40	334.40	-1.40	10,036
Aug 98			336.30	-1.40	4,391
Oct 98			338.20	-1.50	484
Dec 98			340.20	-1.50	8,699
Est. sales 6,600 Fri's sales 32,437					
Fri's open int 179,268, off 4,546					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Oct 97	94.10	93.00	93.10	-0.15	1,535
Nov 97	94.60	93.60	93.60	-0.15	2,553
Dec 97	95.40	94.00	94.15	-0.10	23,142
Jan 98	95.80	94.55	94.55	-0.10	1,061
Feb 98	95.30	94.65	94.65	-0.10	1,133
Mar 98	95.80	94.70	94.80	-0.10	5,612
Apr 98			94.55	-0.10	1,012
May 98	94.60	94.55	94.55	-0.05	2,569
Jun 98	94.50	94.30	94.30	-0.05	966
Est. sales 6,000 Fri's sales 4,364					
Fri's open int 53,025, up 323					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Oct 97			511.00	-5.00	10
Nov 97			512.90	-4.80	1
Dec 97	521.00	514.00	514.70	-4.80	71,495
Jan 98			516.10	-4.80	20
Mar 98	526.00	520.00	520.90	-4.80	18,964
May 98	527.00	523.70	523.70	-4.80	2,204
Jul 98			526.60	-4.80	2,721
Sep 98	532.50	529.50	529.50	-4.80	640
Est. sales 6,500 Fri's sales 8,259					
Fri's open int 103,748, off 1,256					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Oct 97	435.00	430.10	434.40	+5.00	203
Jan 98	438.00	433.50	437.40	+5.00	12,389
Apr 98	432.40	431.00	432.40	+6.50	895
Jul 98			427.40	+6.50	15
Est. sales 13,507 Fri's sales 652					
Fri's open int 13,502, up 172					

LONDON METALS (LME) Dollars per metric ton

			Close	Previous
Aluminum (High Grade)				
Spot	1636½	1637½	1637.00	1638.00
Forward	1644.00	1645.00	1644.00	1645.00
Copper Cathodes (High Grade)				
Spot	2064.00	2065.00	2069.00	2070.00
Forward	2094.00	2095.00	2098.00	2099.00
Lead				
Spot	603.00	604.00	606.00	607.00
Forward	616.00	618½	619.00	620.00
Nickel				
Spot	6420.00	6430.00	6430.00	6440.00
Forward	6520.00	6530.00	6530.00	6540.00
Tin				
Spot	5605.00	5615.00	5530.00	5590.00
Forward	5650.00	5660.00	5630.00	5635.00
Zinc (Special High Grade)				
Spot	1303.00	1304.00	1304.00	1305.00
Forward	1319.00	1320.00	1314.00	1315.00

	High	Low	Close	Chge	Opint
Financial					
US T BILLS (CMER) $1 million- pts of 100 pct.					
Dec 97			95.02	unch.	4,989
Mar 98			95.03	unch.	4,121
Jun 98			94.96	unch.	199
Est. sales N.A. Fri's sales 380					
Fri's open int 9,309, off 107					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Dec 97			107-14	unch.	229,171
Jun 98			-14	unch.	
Est. sales N.A. Fri's sales 56,323					
Fri's open int 225,484, off 4,571					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 97			109-29	unch.	390,270
Mar 98			109-18	unch.	17,668
Jun 98			109-10	unch.	2
Est. sales N.A. Fri's sales 106,710					
Fri's open int 402,605, up 4,645					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Dec 97			115-01	unch.	646,159
Mar 98			114-23	unch.	67,785
Jun 98			114-11	unch.	8,367
Sep 98			114-01	unch.	1,961
Est. sales N.A. Fri's sales 497,262					
Fri's open int 725,862, off 3,164					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Dec 97	119-22	119-06	119-16	+0-20	192,598
Mar 98	119-13	119-13	119-14	+0-20	1,937
Est. sales: 45,691. Prev. sales: 87,364					
Prev. open int.: 194,535 off 3,107					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Dec 97	102.55	102.25	102.50	+0.25	318,520
Mar 98	101.70	101.70	101.76	+0.24	7,705
Est. sales: 85,439. Prev. sales: 281,501					
Prev. open int.: 326,225 up 2,484					

	High	Low	Latest	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Dec 97	99.02	98.72	98.94	+0.28	134,977
Mar 98	98.36	98.34	98.42	+0.28	6,067
Jun 98	97.90	97.90	97.98	+0.28	0
Est. sales: 77,851.					
Open int.: 141,044 up 3,017.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Dec 97	111.98	111.30	111.98	+1.08	119,368
Mar 98	N.T.	N.T.	111.93	+1.08	
Jun 98	N.T.	N.T.	111.93	+1.08	120,807
Est. sales: 61,597. Prev. sales: 110,898					
Prev open int.: 120,807 off 2,403					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Nov 97	94.31		94.31	unch.	31,883
Dec 97	94.12		94.12	unch.	10,130
Jan 98			94.23	unch.	2,791
Est sales N.A. Fri's sales 10,034					
Fri's open int 71,826, off 269					
EURODOLLARS (CMER) $1 million-pts of 100 pct					
Nov 97	94.19		94.18	unch.	13,913
Dec 97	94.15		94.14	unch.	619,014
Mar 98	94.07		94.06	unch.	454,326
Jun 98	93.99		93.97	unch.	341,680
Sep 98	93.91		93.90	unch.	272,511
Dec 98	93.82		93.81	unch.	229,643
Mar 99			93.80	unch.	158,018
Jun 99			93.76	unch.	123,104
Sep 99			93.72	unch.	100,123
Dec 99			93.66	unch.	84,484
Mar 00			93.66	unch.	70,474
Jun 00			93.62	unch.	58,247
Est. sales N.A. Fri's sales 711,988					
Fri's open int 2,879,987, up 29,758					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Dec 97	1.6198		1.6176	unch.	29,464
Mar 98			1.6114	unch.	253
Jun 98			1.6052	unch.	27
Est. sales N.A. Fri's sales 4,593					
Fri's open int 29,944, off 430					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Dec 97	.7285		.7275	unch.	56,565
Mar 98			.7308	unch.	2,071
Jun 98			.7332	unch.	510
Est sales N.A. Fri's sales 8,616					
Fri's open int 59,442, up 57					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Dec 97	.5735		.5740	unch.	70,270
Mar 98			.5769	unch.	2,546
Jun 98			.5795	unch.	2,617
Est. sales N.A. Fri's sales 27,019					
Fri's open int 75,535, off 902					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Dec 97	.8407		.8419	unch.	89,631
Mar 98			.8531	unch.	861
Jun 98			.8645	unch.	163
Est. sales N.A. Fri's sales 40,930					
Fri's open int 90,656, up 2,771					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Dec 97	.6902		.6916	unch.	39,990
Mar 98			.6981	unch.	1,604
Jun 98			.7044	unch.	265
Est. sales N.A. Fri's sales 11,034					
Fri's open int 41,965, off 1,086					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Dec 97			.12582	unch.	25,509
Mar 98			.12165	unch.	9,516
Jun 98			.11790	unch.	2,101
Est. sales N.A. Fri's sales 3,429					
Fri's open int 40,186, off 136					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Oct 97	N.T.	N.T.	96.28	-0.01	9,761
Nov 97	N.T.	N.T.	96.22	+0.01	925
Dec 97	96.25	96.22	96.23	+0.02	336,460
Mar 98	95.96	95.92	95.93	+0.02	304,308
Jun 98	95.69	95.63	95.66	+0.02	258,724
Sep 98	95.51	95.45	95.47	+0.02	195,836
Dec 98	95.32	95.26	95.28	+0.02	162,646
Mar 99	95.18	95.12	95.14	+0.02	177,994
Jun 99	95.05	94.99	95.01	+0.02	72,217
Sep 99	94.93	94.89	94.90	+0.03	70,825
Est. sales: 201,375. Prev. sales: 556,596					
Prev. open int.: 1,718,998 up 14,857					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Dec 97	92.57	92.55	92.55	+0.01	129,997
Mar 98	92.55	92.51	92.52	+0.03	112,431
Jun 98	92.58	92.54	92.55	+0.05	86,204
Sep 98	92.68	92.62	92.64	+0.06	69,909
Dec 98	92.83	92.75	92.78	+0.07	63,114
Mar 99	92.97	92.87	92.92	+0.09	52,923
Jun 99	93.11	93.03	93.07	+0.10	30,792
Est. sales: 67,361. Prev. sales: 76,406					
Prev. open int.: 635,688 up 441					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Dec 97	96.27	96.22	96.24	+0.01	40,188
Mar 98	95.94	95.89	95.90	+0.03	44,728
Jun 98	95.69	95.58	95.65	+0.03	28,272
Sep 98	95.50	95.45	95.46	+0.02	19,020
Dec 98	95.33	95.27	95.30	+0.03	21,625
Est. sales: 55,187.					
Open int.: 237,192 up 6,290.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Dec 97	93.75	93.61	93.73	+0.13	105,414
Mar 98	94.48	94.34	94.48	+0.16	102,397
Jun 98	94.90	94.80	94.90	+0.16	89,157
Sep 98	95.02	94.90	95.01	+0.18	61,056
Dec 98	94.96	94.89	94.97	+0.17	51,990
Mar 99	94.85	94.80	94.84	+0.13	26,741
Est. sales: 65,094. Prev. sales: 168,127					
Prev. open int.: 455,084 off 3,683					

	High	Low	Latest	Chge	Opint
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Dec 97	71.75	71.22	71.39	-0.25	49,944
Mar 98	73.20	72.72	72.87	-0.16	15,766
May 98	74.10	73.55	73.69	-0.27	7,933
Jul 98	74.68	74.30	74.40	-0.28	7,332
Oct 98	75.55	75.55	75.55	unch.	762
Est. sales N.A. Fri's sales 7,181					
Fri's open int 90,432, off 1,056					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Nov 97	58.30	58.30	58.30	+0.03	44,354
Dec 97	60.60	58.90	59.46	-1.48	39,919
Jan 98	61.50	59.60	60.16	-1.58	21,247
Feb 98	60.80	60.80	60.36	-1.53	11,211
Mar 98	60.00	59.51	59.51	-1.43	8,117
Apr 98	58.70	57.76	57.76	-1.28	5,281
May 98	56.75	56.31	56.31	-1.18	3,281
Est. sales N.A. Fri's sales 21,707					
Fri's open int 143,729, off 242					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Nov 97	21.30	21.30	21.30	-0.02	85,189
Dec 97	21.35	21.24	21.34	-0.03	101,171
Jan 98	21.75	21.20	21.32	-0.68	49,104
Feb 98	21.57	21.10	21.19	-0.62	27,511
Mar 98	21.39	21.05	21.06	-0.58	14,816
Apr 98	21.23	20.80	20.92	-0.55	12,226
Est. sales N.A. Fri's sales 85,831					
Fri's open int 448,395, up 5,421					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Nov 97	3.033	3.020	3.033	unch.	47,943
Dec 97	3.250	3.135	3.140	-0.046	38,450
Jan 98	3.200	3.100	3.114	-0.027	27,371
Feb 98	2.760	2.760	2.760	-0.024	19,101
Mar 98	2.570	2.515	2.530	-0.019	13,200
Apr 98	2.345	2.290	2.310	-0.015	8,259
Est. sales N.A. Fri's sales 54,282					
Fri's open int 1, off 230,019					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Nov 97	61.00	58.85	59.83	-1.41	35,125
Dec 97	60.90	58.80	59.84	-1.39	19,321
Jan 98	59.90	59.10	59.90	-1.50	15,463
Feb 98	60.20	59.95	60.13	-1.50	5,742
Mar 98	60.60	60.55	60.60	-1.50	5,605
Apr 98			63.05	-1.50	3,610
May 98			62.80	-1.50	2,677
Jun 98	62.50	62.00	62.10	-1.50	1,273
Est. sales N.A. Fri's sales 21,707					
Fri's open int 93,066, up 613					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Nov 97	184.00	179.75	181.25	—4.25	35,662
Dec 97	185.00	181.75	182.50	—4.25	18,078
Jan 98	186.50	183.25	184.25	—4.25	14,868
Feb 98	186.00	185.00	184.00	—4.25	7,132
Mar 98	183.25	183.25	181.25	—3.75	5,182
Apr 98	178.50	178.50	178.25	—3.50	2,455
May 98	176.50	175.75	175.50	—3.00	1,237
Est. sales: 9,538. Prev. sales: 25,461					
Prev. open int.: 96,864 off 3,843					
Stock Indexes					
SP COMP INDEX (CMER) 500 x index					
Dec 97	982.00	974.10	976.10	-0.55	188,907
Mar 98	992.00	985.60	987.00	-0.20	3,508
Jun 98	1000.80	995.80	995.80	-2.00	936
Est. sales N.A. Fri's sales 47,374					
Fri's open int 193,708, off 662					
FTSE 100 (LIFFE) £25 per index point					
Dec 97	5412.0	5344.0	5350.0	+44.0	73,015
Mar 98	5407.0	5407.0	5398.0	+44.0	1,956
Est. sales: 8,497. Prev. sales: 11,073					
Prev. open int.: 74,971 up 492					
CAC 40 (MATIF) FF200 per index point					
Oct 97	3026.0	2981.0	3021.0	+68.0	32,790
Nov 97	3029.0	2993.0	3029.0	+68.0	9,609
Dec 97	3040.0	3001.0	3037.0	+68.0	17,304
Mar 98	3058.0	3058.0	3063.0	+67.0	10,973
Est. sales: 14,910.					
Open int.: 83,925 up 1,894.					

Commodity Indexes

	Close	Previous
Moody's	N.A.	1,535.80
Reuters	1,885.40	1,885.60
D.J. Futures	147.42	147.16
CRB	246.79	246.76

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Residential Real Estate every Friday in The Intermarket

U.S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	8092.41	8114.71	8042.75	8072.22	+27.01
Trans	3275.04	3296.54	3263.84	3288.72	+24.52
Util	241.14	242.42	240.23	241.25	+1.02
Comp	2593.35	2600.85	2580.47	2593.27	+12.28

Standard & Poors

	High	Low	Previous Close	Today 4:00
Industrials	—	—	1130.86	1130.92
Transp.	—	—	691.24	697.69
Utilities	—	—	201.57	206.05
Finance	—	—	154.13	115.33
SP 500	—	—	966.98	968.10
SP 100	—	—	930.69	932.29

NYSE

	High	Low	Last	Chg.
Composite	509.80	506.85	507.40	+0.55
Industrials	640.52	635.93	636.63	-0.07
Transp.	472.57	467.36	472.14	+4.76
Utility	305.82	304.42	304.70	+0.26
Finance	484.38	481.56	483.75	+2.19

Nasdaq

	High	Low	Last	Chg.
Composite	1747.85	1739.97	1742.11	+3.08
Industrials	1417.92	1412.98	1414.88	+2.83
Banks	1949.37	1942.13	1946.28	+0.76
Insurance	1849.74	1830.99	1844.49	-14.48
Finance	2312.84	2305.70	2311.05	+3.05
Transp.	1158.31	1150.86	1158.31	+7.50

AMEX

High	Low	Last	Chg.
719.03	715.95	716.57	-0.80

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	104.50	104.31
10 Utilities	101.93	102.06
10 Industrials	106.38	106.56

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Unisys	70220	16¾	15⅞	16⅛	+⅝
WasteMInc	58331	30¼	29¾	30⅛	-⅛
PhilMor s	37526	41⅛	41⅛	41⅛	-⅛
Compaq s	34800	77⅛	75⅞	76⅞	+⅛
MicrnT	30639	38¾	37⅞	38⅛	+⅞
McDnlds	27912	47⅛	45⅞	46⅛	-⅛
SlcnGph	27904	17⅛	17	17⅛	-⅛
AT&T	25479	45⅜	45⅛	45⅛	-⅛
GenElec s	24801	70⅛	69⅛	69⅞	-⅛
FordM	23941	50⅛	49⅛	49⅞	+⅛
Chryslr	23481	36⅛	35⅞	36⅛	+⅛
BakrHu	22952	49⅛	47⅛	47⅞	-⅛
Gate2000 s	22777	36⅛	34⅞	35⅛	-⅛
Boeing s	20788	55	54½	54⅞	+⅛
PepsiCo	18913	39⅞	39⅛	39⅞	-⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
SyQstTc	223556	6⅛	5⅛	5⅛	-½
ChySir	137191	⅛	⅛	⅛	—
Imatrn	135886	5⅞	2⅞	5⅛	+2⅞
Intel s	114012	93⅛	91⅛	97⅛	-⅛
Netcom	57875	21⅛	19⅛	21⅛	+6⅛
WorldCm	54005	37⅛	36⅛	36⅛	+⅛
SoftLok h	52543	3⅛	3⅛	3⅛	-1⅛
RationSft	51017	10⅛	10	10⅛	+⅛
Ascend	49531	35	33⅛	33⅛	+⅛
Grenfld	48599	37⅛	37⅛	37⅛	+5⅛
Quantum s	42734	41⅛	40	40⅛	—
SunMic s	40788	45⅛	44	45⅛	+⅛
Oracle s	35569	36⅛	36⅛	36⅛	+⅛
MwlnG	34560	23⅛	22	23⅛	+⅛
CptCone	34124	⅛	⅛	⅛	+⅛

AMEX

	Vol.	High	Low	Last	Chg.
Harken	30256	7⅛	6⅛	7⅛	+⅛
XCL Ltd	24297	⅛	⅛	⅛	+⅛
SPDR	17020	97⅛	96⅛	96	+⅛
Hearx	13126	2	1⅛	1⅛	—
Nabors	10189	46⅛	43⅛	44⅛	-1
ViacB	8684	30⅛	30⅛	30⅛	-⅛
TWA	7666	8⅛	7⅛	8⅛	-⅛
Hasbro s	7526	27⅛	26⅛	26⅛	-⅛
Organgn s	7321	38	34⅛	36⅛	+1⅛
Metromda	6526	14⅛	13⅛	14	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1531	1318
Declined	1330	1547
Unchanged	525	535
Total issues	3386	3400
New Highs	222	172
New Lows	13	18

Nasdaq

	Noon	Prev.
Advanced	2006	2192
Declined	1557	2020
Unchanged	1931	1508
Total issues	5494	5721
New Highs	248	336
New Lows	32	32

AMEX

	Close	Prev.
Advanced	288	315
Declined	288	286
Unchanged	157	150
Total issues	733	751
New Highs	57	53
New Lows	4	3

Market Sales

	Today 4:00	Prev. cons.
NYSE	351.82	593.94
Amex	25.20	38.35
Nasdaq	569.62	707.02

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
BP Prudhoe	-	.3917	10-15	10-20
NY State E&G	-	.343	12-10	1-1
STOCK SPLIT				
Watson Pharm 2 for 1 split.				
REDUCED				
Hyperion Total Ret	M	.062	10-20	10-30
SPECIAL				
Gulf Cda adf 1g	-	.284	10-31	11-12
Renaissance Cap	-	.72	10-30	11-20
REGULAR				
Cape Cod	Q	.21	10-21	10-31
Fst Chi NBD	-	1.50	11-7	11-30
Fst Chi NBD	-	1.625	11-7	11-30
Franklin Elec	Q	.15	11-7	11-21
Hyperion 1999	M	.035	10-20	10-30
Hyperion 2002	M	.039	10-20	10-30
Hyperion 2005	M	.045	10-20	10-30
Liz Claiborne	Q	.1125	11-11	12-8
Mid-America	Q	.535	10-24	10-31
Montgomery S	Q	.36	10-20	10-31
NY State E&G	Q	.35	10-27	11-15
Newport News	Q	.04	10-20	10-31
Pennichuck Corp	Q	.27	10-31	11-14
Rders Digest A&B	Q	.225	10-23	11-4
Santa Fe Pac Pipe	Q	.75	10-31	11-14
Schulman A.	Q	.105	10-27	11-6

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y - ex-dividend and sales in full.
yld - yield.
z - sales in full.

Italy's Biggest Insurer Bids $9.4 Billion to Buy AGF

Compiled by Our Staff From Dispatches

Assicurazioni Generali SpA, Italy's biggest insurer, made an unexpected takeover bid Monday of 55 billion French francs ($9.4 billion) for Assurances Generales de France SA, France's second-biggest insurer, intensifying the consolidation in Europe's financial-services industry.

Its offer came the same day Zurich Insurance Co. and BAT Industries PLC said they planned to form a global insurance and money-management company with a market value of about $36 billion. Both moves, like the overall industry trend toward consolidation, were a response to the anticipated introduction of Europe's single currency, the euro, in 1999.

The single currency will remove exchange-rate risk, making it more attractive to move into other European markets.

"Companies that want to benefit from the introduction of the euro must move fast," said Pierre Richard, chief executive of Dexia, a French-Belgian bank. "Only companies that act before the introduction of the euro can hope to succeed in the long term."

The Generali bid raised stock prices of other insurers, such as Groupe des Assurances Nationales SA, France's third-biggest insurer, on expectation they, too, will be taken over at a premium. Allianz AG of Germany said it was interested in buying the government's 80 percent share of GAN. Allianz previously also said it was interested in buying AGF.

AGF was "snapped up" from under Allianz's nose, said Patricia Novak, an analyst at Commerzbank AG. She said Allianz would almost certainly bid for GAN as part of the German company's aim of becoming one of the top five insurers in each major European market.

BAT's deal came less than four months after Zurich Insurance said it would buy the New York-based money manager Scudder, Stevens & Clark Inc. for $1.7 billion in cash and stock and a year after Zurich completed its $2 billion purchase of Kemper Corp., a life-insurance and asset-management company.

For shareholders of BAT, a British tobacco and insurance company, "it brings about the demerger that everyone has been waiting for," Jonathan Fell, an analyst at Merrill Lynch & Co., said. BAT last year failed in a bid to merge with the British insurer Commercial Union PLC.

Zurich Insurance shareholders, through a Swiss holding company, would own 55 percent of the combined company, and BAT shareholders, through a British holding company, would own the rest.

The merged company would have significant operations in the United States, Britain, Switzerland and Germany. BAT's insurance business includes Farmers Group Inc. in the United States and Eagle Star and Allied Dunbar in Britain.

These other merger and takeover announcements were made Monday:

• **Reed Elsevier PLC and Wolters Kluwer NV** said they would merge to form the world's biggest professional and scientific publisher. The combined group would have strong presences in North America, Europe and Asia and leading positions in legal, tax, scientific, business, educational and medical publishing.

"We're interested in all markets where we can make products which people need to do their work better," said Herman Bruggink, Reed Elsevier's co-chairman.

Cor Brakel, chairman of Wolters Kluwer and prospective head of the merged company, said future expansion could involve a move into new sectors such as information for the financial-services industry.

Mr. Brakel said that despite some similarities, there was little overlap between Wolters Kluwer of the Netherlands and Reed Elsevier, a British-Dutch publisher.

But some analysts questioned the union. "We will have a very strong, almost monopolistic legal publisher in Europe," said Bert Siebrand of SNS Securities in Amsterdam. "That raises the question as to whether the European Union will give the go-ahead."

• **Nordbanken AB**, Sweden's third-largest bank, and **Merita Bank Ltd.**, the biggest bank in Finland, said they would merge to create the Nordic region's largest bank.

The combined bank, to be known as MeritaNordbanken, would have a market value of $10.7 billion and assets of $103 billion. The banks, whose assets are about equal, would each control 50 percent of the voting rights in the holding company set up to control the two banks. But Nordbanken would own 60 percent of the capital in Merita-Nordbanken, in line with the difference in their size measured by market value.

Goran Kallebo, an analyst at Matteus, said the deal was not as interesting as Nordbanken merging with another Swedish concern would have been.

"There will be cost savings, but they will be mainly on the Finnish part of the new bank," Mr. Kallebo said. "Merita has a lot more to do than Nordbanken."

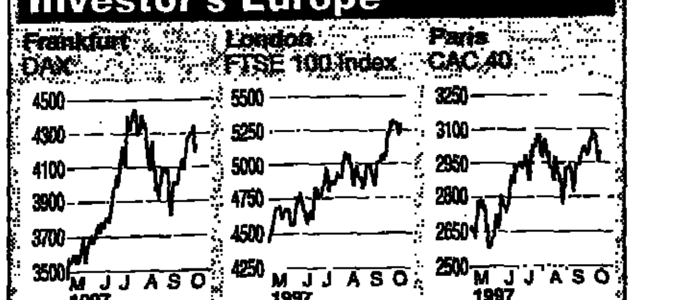
• **Redland PLC** rejected a bid valued at £2.07 billion ($3.36 billion) in cash and assumed debt from Lafarge SA, a French building materials company, and said it was considering measures to increase investor returns.

Lafarge offered 320 pence for each Redland share, a 24 percent premium over Redland's closing price Friday. Redland's shares rose 79 pence to close at 336.5, indicating investors think Lafarge will have to raise its bid.

Buying Redland would make Lafarge the world's largest aggregates producer, second to RMC Group PLC as a ready-mix concrete maker, and the biggest maker of roof tiles.

(AFP, Reuters, Bridge News)

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	938.22	907.79	+3.35
Brussels	BEL-20	2,454.21	2,428.80	+1.05
Frankfurt	DAX	4,231.40	4,188.52	+1.02
Copenhagen	Stock Market	652.01	641.66	+1.61
Helsinki	HEX General	3,823.72	3,758.89	+1.72
Oslo	OBX	736.54	726.87	+1.33
London	FTSE 100	5,306.10	5,227.30	+1.39
Madrid	Stock Exchange	603.20	599.95	+0.54
Milan	MIBTEL	15681	15249	+2.83
Paris	CAC 40	3,000.98	2,955.11	+1.55
Stockholm	SX 16	3,528.87	3,498.31	+0.84
Vienna	ATX	1,412.85	1,406.68	+0.44
Zurich	SPI	3,699.30	3,652.50	+1.28

Source: Telekurs — International Herald Tribune

Very briefly:

• **Deutsche Lufthansa AG**'s shares closed at 33.40 Deutsche marks ($19.15), down 0.40, after the government sold its remaining 37.5 percent stake in the airline. Individual German investors snapped up about 51 percent of the offering.

• **France Telecom**'s chairman, Michel Bon, said more than 3 million individual investors had applied to buy shares in the company's partial privatization and that many were likely to be allocated fewer shares than they had applied for. Details of share allocations will be announced Friday.

• **Croatia** decided not to use $78 million that the **International Monetary Fund** granted it after more than three months' delay. The United States effectively blocked the loan's release in July, saying Croatia was failing to meet its obligations under the Dayton peace accords on the Bosnia war.

• **Stentor PLC**, an Irish telecommunications company, said it had won a U.S license to allow it to carry calls to Ireland from business and residential customers in the United States.

• **Edzard Reuter** will resign early next year as chairman of **Airbus Industrie**'s supervisory board because of criticism from his European partners, the Handelsblatt newspaper reported.

• **Banco Espanol de Credito SA**, known as Banesto, said profit for the first nine months of the year rose 22 percent, to 26.62 billion pesetas ($180.7 million) as income from lending and commissions rose.

AFP, AFX, Bloomberg, Reuters

EU Decides to Limit a Plan to Coordinate Its Tax Policies

Compiled by Our Staff From Dispatches

LUXEMBOURG — The European Union scaled back plans Monday for a sweeping coordination of tax policies, limiting its focus to investment income and to the tax breaks that some countries offer businesses to lure investment.

The Union's 15 finance ministers voted to drop plans for greater harmonization of value-added and corporate taxes, drawing the ire of France, which wants the EU to set minimum tax rates on corporate and savings income.

"There is a risk that we will finish the year with a code that is soft," the French finance minister, Dominique Strauss-Kahn, said. "France insists on the need to go further and be firmer."

The finance ministers are trying to work out common standards on taxing companies and investments to avoid potentially disruptive conflicts over investment and jobs after the introduction of the single currency in 1999. Their meeting was overshadowed by talk of Italy's political crisis and of a softening British line on EMU entry.

The Italian finance minister, Carlo Azeglio, said his country would be ready to join a single currency by the end of the year despite the collapse of its government last week.

"The crisis is upsetting but not so serious," diplomats quoted Mr. Azeglio as saying. "The bulk of the work in improving Italy's budgetary position is already under way."

Gordon Brown, chancellor of the Exchequer, said Britain was very unlikely to join a European economic and monetary union at its planned start in January 1999.

But he said Britain would be ready to meet the economic criteria for joining if the government's policy changed. "In or out of monetary union," he said, "we have set in place the strongest foundations for long-term economic growth and for high levels of job creation."

Separately, Deutsche Bank AG criticized the German government for failing to provide enough information to prepare for a European monetary union.

Carl von Boehm-Bezing, a member of the bank's board, said many local authorities had taken no steps to prepare for the euro, the planned European common currency, because they probably did not believe it would become reality and lacked information about the process.

German banks, not the government, were leading the way in providing essential information about the euro changeover, he said. "Far too little has been done in comparison with other countries," he said.

(Reuters, Bloomberg)

■ A Resignation in France

Jean Gandois said he would resign as head of the French employers' group after a dispute with the government over its plan to cut the workweek to 35 hours by 2000, Reuters reported from Paris.

"In view of what must be called a defeat, I have decided to present my resignation to the executive council," he said. Business leaders have assailed the government's plan on the workweek and said it would not succeed help fight France's 12.5 percent unemployment rate.

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	179.14	+0.57	+0.32	+20.12
Regional Indexes				
Asia/Pacific	116.59	-2.87	-2.40	-5.54
Europe	198.07	+3.15	+1.62	+22.87
N. America	211.39	+0.15	+0.07	+30.56
S. America	177.44	+0.42	+0.24	+55.06
Industrial Indexes				
Capital goods	226.85	-0.98	-0.43	+32.72
Consumer goods	198.36	+0.71	+0.36	+22.88
Energy	209.64	+2.46	+1.19	+22.80
Finance	131.95	+0.23	+0.17	+13.30
Miscellaneous	190.35	+0.75	+0.40	+17.66
Raw Materials	187.35	+0.72	+0.39	+6.83
Service	171.20	+1.18	+0.69	+24.67
Utilities	173.22	+0.62	+0.36	+20.74

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

WORLD STOCK MARKETS

Monday, Oct. 13
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 938.22 Previous: 907.79

	High	Low	Close	Prev.
ABN-AMRO	42	40.20	42	40
Aegon	169.50	163	169.50	161
Ahold	54.20	53	54.10	52.40
Akzo Nobel	368	358	367.50	355.80
Baan Co.	144.30	141.50	143.70	143.10
Bols Wess cva	35	34.30	35	34.40
CSM cva	93.40	92	94	92.10
Dordtsche Ptr	114.70	112.10	114.20	111.90
DSM	194.50	190	191.10	189.10
Elsevier	34.40	31.60	33.10	28.40
Fortis Amev	85.10	83.50	85.10	83
Getronics	70.90	69.20	70	70
G-Broc cva	58.80	56.50	58.50	56.30
Hagemeyer	99.80	98.50	99.40	98
Heineken	348	342.60	348	342
Hoogovens cva	122.50	119.60	121.10	119.20
Hunt Douglas	90	86.50	90	86.70
ING Group	92	90.20	92	89.80
KLM	74.90	71.50	74.90	71.10
KNP BT	51.50	49.60	51.40	50.20
KPN	76.70	74.30	76.70	74.30
Nedlloyd Gp	70.10	68	70.10	67.90
Nutricia	60.80	59.80	59.90	60
Oce Grinten	257.50	252	256	250
Philips Elec	165.70	163	164.50	163.20
Polygram	124.50	119.50	124.50	121
Randstad Hdg	82	80.10	81.30	80
Robeco	194	192.40	192.80	192.20
Rodamco	61.20	60.60	60.70	61.10
Rolinco	193.30	192.30	193	192.50
Rorento	118.40	118.10	118.10	118.40
Royal Dutch	113.50	111.40	113.50	110.60
Unilever cva	431.40	423.60	428.40	428.40
Vendex Intl	114.20	112	113.80	112.30
VNU	45.50	44.20	44.90	43.60
Wolters Kl cva	275.50	263	265.70	255

Bangkok
SET index: 532.95 Previous: 534.55

	High	Low	Close	Prev.
Adv Info Svc	244	242	242	242
Bangkok Bk F	170	167	169	170
Krung Thai Bk	22	20.75	21.75	21.50
PTT Explor	408	400	408	410
Siam Cement F	532	530	530	528
Siam Com Bk F	95	93	94.50	93.50
Telecomasia	29.75	28.75	29	29.75
Thai Airways	56.50	53.50	56.50	55.50
Thai Farm Bk F	126	115	126	117
Utd Comm	110	107	110	110

Bombay
Sensex 30 index: 4046.85 Previous: 4057.27

	High	Low	Close	Prev.
Bajaj Auto	599.50	586	589.25	588
Hindust Lever	1387	1346.75	1359.25	1351.50
Hindust Petm	499	495	497.25	494
Ind Dev Bk	105.75	103.50	103.50	103.25
ITC	622	590	594	623.75
Mahanagar Tel	279.75	274	274.50	275.25
Reliance Ind	436.50	423	426.25	418.75
State Bk India	291.50	282.50	283.75	281
Steel Authority	16.50	15.75	16.25	16.50
Tata Eng Loco	345.75	336	337.25	340

Brussels
BEL-20 index: 2454.21 Previous: 2428.80

	High	Low	Close	Prev.
Almanij	1685	1665	1685	1675
Barco Ind	7650	7400	7650	7620
BBL	9240	9140	9170	9040
CBR	3285	3225	3275	3225
Colruyt	20725	20000	20525	20250
Delhaize Lion	1810	1770	1795	1765
Electrabel	7470	7400	7420	7400
Electrafina	3550	3435	3540	3550
Fortis AG	7450	7330	7410	7300
Gevaert	1700	1620	1665	1650
GBL	5840	5700	5800	5680
Gen Banque	15075	14725	15075	14725
Kredietbank	15500	15000	15175	15275
Petrofina	14525	14225	14475	14125
Powerfin	5140	5140	5140	5060
Royale Belge	10000	9720	9850	9710
Soc Gen Belg	3390	3300	3305	3300
Solvay	2225	2180	2180	2160
Tractebel	3125	3050	3065	3065
UCB	133000	132000	132000	131500

Copenhagen
Stock Index: 652.01 Previous: 641.66

	High	Low	Close	Prev.
BG Bank	422	392	421	390
Carlsberg B	384	377	381	379
Codan Fors	990	990	990	950
Danisco	387	375	384	377
Den Danske Bk	739.45	709	725	710
D/S Svenborg B	475000	475000	475000	465000
D/S 1912 B	335000	330000	331000	325000
FLS Ind B	200	191	196	195.50
Kob Lufthavne	815	794	810	795
Novo Nordisk B	784	750	780	751.25
Sophus Ber B	1100	1070	1090	1060
Tele Danmark B	351	341	345	339
Tryg Baltica	431	419	425	412
Unidanmark A	460	442	460	438

Frankfurt
DAX: 4231.40 Previous: 4188.52

	High	Low	Close	Prev.
AMB B	182	179.50	181.50	174
Adidas	244.50	241	244.50	241
Allianz Hdg	454.50	445	453.50	440
Altana	130.15	128.30	129.90	128.10
Bk Berlin	49.05	48.70	49.05	48.65
BASF	64.75	64.20	64.32	64.20
Bayer Hypo Bk	82.85	82.40	82.40	82
Bay.Vereinsbank	107.70	107.30	107.60	105.80
Bayer	70.60	70	70.35	70.10
Beiersdorf	82	81	81.35	82
Bewag	43.20	42.90	42.60	42.30
Bilfinger	1452	1431	1449	1420
CKAG Colonia	162	159	160	157
Commerzbank	64.90	64.50	64.85	64.10
Daimler Benz	138.70	137	138.50	136.30
Degussa	92.40	91	91.30	91.20
Deutsche Bank	126.60	125.10	126.55	123
Dt Telekom	32.95	32.75	32.90	32.20
Dresdner Bank	82	81.40	81.50	81.30
Fresenius	316	308	312	305
Fresenius Med	141	140	140.10	136
Fried. Krupp	363	358	358	360
Gehe	95.50	94.30	94.30	94.90
Heidelbg Zmt	161	156.50	160.50	155.50
Henkel pfd	108.60	107.80	108.60	106
HEW	480	480	480	479
Hochtief	85.10	82.50	82.20	85
Hoechst	79.05	78	78.20	77.30
Karstadt	618.50	608	618	605
Lahmeyer	96.50	95.10	95.10	96.50
Linde	1237	1222	1232	1235
Lufthansa R	33.59	33.40	33.40	33.80
MAN	546.50	540	540	543
Mannesmann	846	825	828	836.50
Metallgesellschaft	39.30	39	39.25	39
Metro	84.25	83.80	84.25	84.80
Munch Rueck R	606	599	600	605.50
Preussag	528	518	520	514.75
RWE	89.70	89.20	89.65	88.60
SAP pfd	492.50	488	489.50	481
Schering	184.50	183.20	183.65	181.70
SGL Carbon	280	277	280	275
Siemens	122.95	121.60	122.50	120.30
Springer (Axel)	1520	1520	1520	1580
Suedzucker	900	890	900	901
Thyssen	422.50	421	421	420.50
Veba	104.25	103.30	103.50	104.60
VEW	605	595	605	605
Viag	840.25	833	840.25	829
Volkswagen	1216	1198	1200	1218

Helsinki
HEX General index: 3822.72 Previous: 3758.89

	High	Low	Close	Prev.
Enso A	56.50	54	56.50	54
Huhtamaki I	198	193	198	193
Kemira	57.50	55.50	57.50	55.40
Kesko	73.50	73	73.50	73
Merita A	29.50	28	28.10	25.20
Metra B	150	149	150	150
Metsa-Serla B	49.40	48.50	49.20	48.50
Neste	136	134.10	136	134
Nokia A	524.50	517	517	515.50
Orion-Yhtyma	192	187	192	187
Outokumpu A	94	92	92	92.50
UPM-Kymmene	150	146.50	149	146.60
Valmet	93	91.60	92.50	92.50

Hong Kong
Hang Seng: 14872.98 Previous: 14273.12

	High	Low	Close	Prev.
Amoy Props	8.25	8	8.10	8.15
Bk East Asia	27.15	26.30	26.45	27.15
Cathay Pacific	9.90	8.90	8.95	9.80
Cheung Kong	83	81.25	82.75	83
CK Infrastruct	21.70	21.20	21.30	21.70
China Light	39.70	38.70	39.50	39.60
Citic Pacific	40	38	39	39.60
Dao Heng Bk	32.90	32	32.20	32.70
First Pacific	7.40	7.05	7.10	7.40
Hang Lung Dev	14	13.80	13.90	14.15
Hang Seng Bk	90	88	89	90
Henderson Inv	8.05	7.80	7.80	8.05
Henderson Ld	64.50	61.50	62.50	64
HK China Gas	15.05	14.75	14.90	15.05
HK Electric	29	27.65	29	28.80
HK Telecomm	17.35	16.55	16.95	17.05
Hopewell Hdgs	4.10	3.85	3.88	4.10
HSBC Hdgs	244	237	241	245
Hutchison Wh	70.75	69.25	70.75	70.25
Hysan Dev	21.80	21.40	21.60	21.80
Johnson El Hdg	21.50	21	21.45	21.25
Kerry Props	17.90	17.50	17.55	17.95
New World Dev	45.30	43.40	44.30	45.30
Oriental Press	2.40	2.33	2.35	2.35
Pearl Oriental	0.94	0.86	0.87	0.95
SHK Props	92.25	89.25	91.25	91.50
Shun Tak Hdgs	4.80	4.68	4.73	4.70
Sino Land Co.	6.85	6.60	6.75	6.85
Sth China Post	6.70	6.50	6.55	6.65
Swire Pac A	58	55.75	56.50	58.25
Wharf Hdgs	26.75	26.40	26.45	26.75
Wheelock	14.80	14.55	14.65	14.80

Jakarta
Composite index: 534.83 Previous: 534.75

	High	Low	Close	Prev.
Astra Intl	2850	2500	2775	2725
Bk Intl Indon	875	800	825	875
Bk Negara	850	800	800	850
Gudang Garm	9200	8975	9200	8975
Indocement	2125	2075	2125	2125
Indofood	4250	4100	4200	4100
Indosat	9000	8800	8975	9000
Hanjaya	6150	5800	5875	5800
Semen Gresik	3250	3050	3200	3100
Telekomunikasi	3800	3700	3750	3700

Johannesburg
All Market: 7297.12 Previous: 7237.63

	High	Low	Close	Prev.
ABSA Group	31.40	31.10	31.40	31.45
AngloAm Coal	295	294	294	290
AngloAm-Corp	262	260	261.40	259.75
AngloAm Gold	265.80	262	265.80	263
AngloAm Ind	178	176	178	176
AngloAm Plat	83	82.50	82.50	82.50
AVMIN	12	12	12.05	11.80
Barlow	53.10	52.40	53.10	52.50
C.G. Smith	23.20	22.90	23.18	22.90
De Beers	144.40	143.60	143.80	143.50
Driefontein	34	33	34	33.20
Fst Natl Bk	40.60	40	40.60	40
Gencor	13	11.70	11.70	11.30
GFSA	105	101	101	99
Imperial Hdgs	63	62.20	63	62
Ingwe Coal	24.50	24.40	24.40	24.50
Iscor	3.05	3	3.05	3.05
Johnnies Indl	63	61.30	61.30	61.25
Liberty Hdgs	355	354	355	353
Liberty Life	136.40	136	136.20	135.75
LibLife Strat	16.90	16.25	16.90	16.45
Minorco	103	102.40	103	102.25
Nampak	18.80	18.50	18.70	18.75
Nedcor	108	103.80	108	103.50
Rembrandt Gp	46.30	45	46.25	45.50
Richemont	62.40	61.50	62.40	61.50
SA Breweries	138.60	137	138	138
Samancor	35.50	35.50	36	35.50
Sasol	64	63.20	64	62.50
SBIC	209.40	207.20	209	207
Tiger Oats	72	70.50	72	70.50

Kuala Lumpur
Composite: 831.52 Previous: 834.01

	High	Low	Close	Prev.
AMMB Hdgs	8.50	8.35	8.35	8.50
Genting	10	9.95	10	9.95
Mal Banking	17.40	17	17.20	17
Mal Intl Ship F	6.35	6.15	6.30	6.30
Petronas Gas	10.20	10.10	10.20	10.20
Proton	9.75	9.40	9.75	9.45
Public Bk	2.53	2.45	2.46	2.45
Renong	3.22	3.18	3.20	3.20
Resorts World	7.15	7.05	7.10	7.10
Rothmans PM	27.25	26.50	26.75	26.50
Sime Darby	6.95	6.75	6.75	6.95
Telekom Mal	10.40	10.20	10.20	10.40
Tenaga	9.30	9	9.30	9.30
Utd Engineers	11.70	11.30	11.50	11.40
YTL	4.60	4.46	4.48	4.58

London
FT-SE 100: 5300.10 Previous: 5227.30

	High	Low	Close	Prev.
Abbey Natl	9.75	9.49	9.65	9.55
Allied Domecq	5.10	4.95	5.09	4.96
Anglian Water	8.40	8.30	8.36	8.38
Argos	6.64	6.53	6.59	6.54
Asda Group	1.60	1.58	1.59	1.58
Assoc Br Foods	5.40	5.36	5.38	5.34
BAA	6.08	5.93	6	5.87
Barclays	16.40	16.15	16.19	16.25
Bass	8.57	8.35	8.54	8.34
BAT Ind	6.25	5.95	6.09	5.51
Bank Scotland	5.46	5.27	5.42	5.28
Blue Circle	4.05	3.90	3.97	3.88
BOC Group	11.42	11.23	11.38	11.15
Boots	9.34	9.15	9.32	9.10
BPB Ind	3.58	3.53	3.56	3.49
Brit Aerosp	17.42	17.01	17.27	16.99
Brit Airways	6.56	6.04	6.53	6.27
BG	2.66	2	2.59	2.63
Brit Land	7.02	6.88	6.98	6.83
Brit Petm	9.26	9.15	9.23	9.17
BSkyB	4.92	4.38	4.46	4.45
Brit Steel	1.83	1.80	1.82	1.81
Brit Telecom	4.48	4.41	4.47	4.44
BTR	2.48	2.37	2.46	2.42
Burmah Castrol	11.22	10.93	11.18	10.95
Burton Gp	1.37	1.35	1.36	1.35
Cable Wireless	5.72	5.63	5.65	5.66
Cadbury Schw	6.28	5.68	6.21	6.14
Carlton Comm	5.35	5.23	5.33	5.28
Comml Union	8.35	8.16	8.19	8.07
Compass Gp	6.90	6.81	6.88	6.80
Courtaulds	3.36	3.30	3.34	3.33
Dixons	6.97	6.83	6.96	6.84
Electrocomponents	5.02	4.99	5.01	4.99
EMI Group	5.93	5.75	5.83	5.73
Energy Group	6.53	6.44	6.50	6.45
Enterprise Oil	7	6.92	6.97	6.94
Fam Colonial	1.84	1.81	1.84	1.81
Genl Accident	11.40	11	11.29	10.83
GEC	4.05	3.97	4.01	3.98
GKN	14.13	13.95	14.13	13.95
Glaxo Wellcome	13.76	13.65	13.70	13.64
Granada Gp	9.09	8.95	9.06	8.95
Grand Met	6.07	5.95	6.05	5.83
GRE	3.55	3.37	3.42	3.27
Greenalls Gp	3.88	3.83	3.85	3.87
Guinness	6.10	6	6.05	5.76
GUS	7.36	7.10	7.18	7.08
Hays	7.65	7.24	7.64	7.13
HSBC Hldgs	20.35	19.14	19.32	19.55
ICI	9.96	9.80	9.82	9.85
Impl Tobacco	3.94	3.85	3.92	3.72
Kingfisher	8.60	8.37	8.57	8.34
Ladbroke	2.97	2.92	2.95	2.94
Land Sec	10.57	10.37	10.54	10.40
Lasmo	2.82	2.77	2.79	2.78
Legal Genl Grp	5.09	4.95	5.05	4.92
Lloyds TSB Gp	8.10	7.90	8.06	7.91
LucasVarity	2.35	2.26	2.28	2.25
Marks Spencer	6.56	6.38	6.53	6.37
MEPC	5.43	5.38	5.41	5.39
Mercury Asset	13.75	13.45	13.70	13.46
National Grid	3.05	2.96	2.97	2.96
Natl Power	5.45	5.38	5.43	5.40
NatWest	9.50	9.30	9.41	9.30
Next	7.35	7.24	7.29	7.29
Norwich Union	3.58	3.50	3.52	3.52
Orange	2.48	2.42	2.47	2.42
P&O	7.44	6.34	7.42	7.38
Pearson	8.28	7.97	8.23	8
Pilkington	1.64	1.58	1.63	1.57
PowerGen	7.55	7.42	7.52	7.42
Premier Farnell	5.43	5.22	5.27	5.55
Prudential	7	6.75	6.98	6.69
Railtrack Gp	10.54	10.20	10.41	10
Rank Group	3.45	3.35	3.43	3.37
Reckitt Colm	11.09	9.95	10.27	9.95
Redland	3.40	3.32	3.37	2.40
Reed Intl	6.32	5.80	6.29	5.32
Rentokil Initial	2.64	2.56	2.64	2.56
Reuters Hdgs	7.58	7.48	7.54	7.48
Rexam	3.32	3.25	3.30	3.26
RTZ reg	9.97	9.72	9.93	9.74
RMC Group	9.89	9.70	9.82	9.51
Rolls Royce	2.37	2.28	2.36	2.28
Royal Bk Scot	6.93	6.74	6.88	6.75
Royal & Sun All	6.42	6.30	6.40	6.05
Safeway	3.90	3.85	3.88	3.82
Sainsbury	4.68	4.60	4.66	4.62
Schroders	20.05	19.85	19.98	19.75
Scot Newcastle	7.09	7	7.06	7.02
Scot Power	4.87	4.75	4.84	4.76
Securicor	2.82	2.79	2.80	2.79
Severn Trent	9.34	9.22	9.31	9.22
Shell Transp R	4.74	4.66	4.68	4.68
Siebe	13.35	13.13	13.33	13.10
Smith Nephew	1.88	1.86	1.87	1.90
SmithKline	6.10	6	6.09	5.99
Smiths Ind	9.70	9.54	9.69	9.58
Sthern Elec	4.80	4.73	4.74	4.73
Stagecoach	6.67	6.61	6.64	6.66
Stand Charter	8.39	8.25	8.29	8.38
Tate & Lyle	4.69	4.59	4.67	4.60
Tesco	4.73	4.67	4.72	4.69
Thames Water	8.72	8.42	8.49	8.47
3i Group	5.07	5.03	5.06	5.06
TI Group	4.91	4.75	4.88	4.78
Tomkins	3.42	3.37	3.41	3.38
Utd Assurance	4.84	4.74	4.79	4.77
Utd News	8.05	7.93	8.03	7.86
Utd Utilities	7.40	7.33	7.39	7.38
Vendome Lx uts	4.31	4.30	4.31	4.35
Vodafone	3.45	3.39	3.43	3.39
Whitbread	8.03	7.87	8.01	7.89
Williams Hdgs	3.76	3.70	3.74	3.70
Wolseley	5.25	5.15	5.21	5.06
WPP Group	2.82	2.78	2.80	2.78
Zeneca	21.18	20.95	21.05	21.03

Madrid
Bolsa index: 603.20 Previous: 599.95

	High	Low	Close	Prev.
Acerinox	26790	26500	26550	26800
ACESA	1880	1855	1855	1825
Aguas Barcelon	5930	5820	5850	5820
Argentaria	8310	8220	8300	8190
BBV	4390	4310	4365	4320
Banesto	1450	1425	1435	1420
Bankinter	8400	8210	8300	8300
Bco Centro Hisp	[illegible]	[illegible]	[illegible]	[illegible]
Bco Popular	9190	8840	8950	9010
Bco Santander	4565	4475	4500	4485
CEPSA	4540	4465	4525	4510
Continente	2930	2865	2905	2850
Corp Mapfre	8100	7850	7870	7930
Endesa	3040	2950	2965	3000
FECSA	1205	1180	1190	1190
Gas Natural	7210	7020	7080	7000
Iberdrola	1760	1735	1750	1745
Pryca	2610	2545	2545	2550
Repsol	6750	6670	6720	6640
Sevillana Elec	1360	1315	1360	1330
Tabacalera	9880	9730	9800	9900
Telefonica	4365	4305	4350	4310
Union Fenosa	1400	1290	1375	1290
Valenc Cement	2950	2910	2945	2935

Manila
PSE index: 2842.89 Previous: 2861.41

	High	Low	Close	Prev.
Ayala B	14.25	13.75	14	14
Ayala Land	17	16.75	17	16.75
Bk Philip Isl	109	105	106	107
C&P Homes	3.30	3.10	3.20	3.20
Manila Elec A	75.50	73.50	75	74.50
Metro Bank	310	295	300	300
Petron	4.75	4.40	4.60	4.40
PCIBank	145	139	140	141
Phil Long Dist	930	895	910	935
San Miguel B	54	51	51.50	54
SM Prime Hdg	6.60	6.50	6.60	6.60

Mexico
Bolsa index: 5245.54 Previous: 5267.27

	High	Low	Close	Prev.
Alfa A	71.30	69.80	69.80	71.20
Banacci B	23.20	22.75	22.85	23.05
Cemex CPO	38.20	37.90	37.90	38.15
Cifra C	16.40	16.18	16.28	16.40
Emp Modena	40.25	39.20	39.65	40.25
Gpo Carso A1	62.10	61.20	62.00	61.20
Gpo F Bcomer	3.36	3.31	3.33	3.36
Gpo Fin Inbursa	34.70	32.00	34.65	32.40
Kimb Clark Mex	41.00	40.20	40.40	40.50
Televisa CPO	152.00	149.30	150.50	152.00
TelMex L	19.82	19.70	19.70	19.82

Milan
MIB Telematico: 15481.00 Previous: 15249.00

	High	Low	Close	Prev.
Alleanza Assic	16595	16050	16560	16000
Bco Comm Ital	5015	4885	4995	4840
Bco Fideuram	7260	7150	7255	7010
Bco di Roma	1715	1685	1705	1670
Benetton	27850	27000	27700	26900
Credito Italiano	4545	4300	4500	4200
Edison	9070	8900	9025	8800
ENI	10590	10460	10515	10400
Fiat	6245	6070	6195	6000
Generali Assic	38800	36500	38300	37050
IMI	17480	16880	17315	16690
INA	2635	2580	2625	2580
Italgas	6285	6090	6165	5975
Mediaset	8750	8560	8740	8550
Mediobanca	13350	12900	13280	12660
Montedison	1344	1315	1336	1303
Olivetti	962	942	959	938
Parmalat	2830	2765	2820	2730
Pirelli	5070	4900	5055	4895
RAS	15245	15000	15185	14880
Rolo Banca	24900	24200	24900	23850
S Paolo Torino	13100	12910	13000	12840
Telecom Italia	11350	11170	11285	11025
TIM	6960	6700	6930	6670

Markets Closed

The stock markets in Montreal and Toronto were closed Monday for a holiday.

Oslo
OBX index: 736.54 Previous: 726.87

	High	Low	Close	Prev.
Aker A	150	146	146	147.50
Bergesen Dy A	217	214	216	215.50
Christiania Bk	26.70	26	26.70	25.80
Den norske Bk	31.70	30.50	31.60	30.70
Elkem	129	126	127.50	124
Hafslund A	44	43.50	44	44
Kvaerner Asa	436	428	430	426
Norsk Hydro	426	419.50	420	422.50
Norske Skog A	257	252	257	254
Nycomed A	170	165	170	165
Orkla Asa A	665	654	655	653
Petlm GeoSvc	492	486	489	488
Saga Petlm A	151.50	150	151	149
Schibsted	132	129.50	132	130
Transocean Off	408	408	408	400
Storebrand Asa	56	53.50	54.50	52.50

Paris
CAC-40: 3000.98 Previous: 2955.11

	High	Low	Close	Prev.
Accor	1140	1120	1137	1125
AGF	237.50	231.10	235	235
Air Liquide	992	970	992	979
Alcatel Alsth	816	791	795	810
Axa-UAP	408	405.10	406	399.50
Bancaire	756	730	751	731
BIC	438	428	433	422.80
BNP	325	308.20	315.50	305.60
Canal Plus	1095	1073	1091	1069
Carrefour	3555	3501	3544	3493
Casino	351	341	350.80	353.70
CCF	360	346.10	360	338.80
Cetelem	679	662	674	658
Christian Dior	833	806	810	789
CLF-Dexia Fran	618	594	616	593
Credit Agricole	1320	1311	1320	1311
Danone	946	924	931	945
Elf-Aquitaine	763	740	757	737
Eridania BS	885	868	874	868
Eurodisney	8.10	8	8.10	8.10
Eurotunnel	6.25	6.10	6.20	6.15
Gen. Eaux	714	703	714	702
Havas	406.90	402.60	406.10	396.90
Imetal	746	735	743	724
Lafarge	451	426.20	430.10	433.30
Legrand	1224	1190	1224	1197
L'Oreal	2273	2248	2255	2235
LVMH	1314	1235	1248	1223
Michelin B	358.90	349.20	358.90	350.90
Paribas A	439	431	437.60	427
Pernod Ricard	294.60	285	294	286.50
Peugeot Cit	800	780	800	780
Pinault-Print	2839	2787	2839	2779
Promodes	2110	2081	2107	2088
Renault	172.90	164.30	169.10	173.20
Rexel	1680	1640	1670	1643
Rh-Poulenc A	269.50	257.30	265	260
Sanofi	547	540	546	540
Schneider	380.90	362.10	379	361.20
SEB	842	823	836	830
SGS Thomson	545	528	533	523
Ste Generale	913	887	900	879
Sodexho	2990	2925	2990	2909
St Gobain	922	907	921	913
Suez (Cie)	15.10	15.10	15.10	14.70
Suez Lyon Eaux	647	624	645	622
Synthelabo	680	661	677	663
Thomson CSF	189.50	184.30	189.50	186.70
Total B	658	642	650	642
Usinor	120.50	118.10	119.40	118.90
Valeo	395	378.50	383.50	385

São Paulo
Bovespa index: 12682.80 Previous: 12737.40

	High	Low	Close	Prev.
Bradesco Pfd	12.00	11.81	12.00	11.99
Brahma Pfd	820.00	805.00	809.00	835.00
Cemig Pfd	60.30	59.10	59.80	59.80
CESP Pfd	96.30	95.90	96.20	96.00
Copel	14.97	16.30	16.30	17.00
Eletrobras	650.00	632.00	648.00	633.00
Itaubanco Pfd	714.00	699.99	714.00	705.00
Light Servicos	492.00	488.00	490.00	490.00
Lightpar	405.00	402.00	403.00	411.00
Petrobras Pfd	320.00	312.94	314.00	318.01
Paulista Luz	195.00	194.00	195.00	196.00
Sid Nacional	41.90	41.50	41.90	42.00
Souza Cruz	10.45	10.60	10.61	10.60
Telebras Pfd	160.30	156.61	157.60	158.50
Telemig	188.00	184.50	185.00	184.00
Telerj	166.00	163.00	166.00	165.00
Telesp Pfd	390.50	382.00	390.00	379.00
Unibanco	43.00	41.50	43.00	42.00
Usiminas Pfd	11.80	11.66	11.68	12.00
CVRD Pfd	27.00	26.49	26.60	26.85

Seoul
Composite index: 613.00 Previous: 609.84

	High	Low	Close	Prev.
Dacom	77500	73000	73900	72300
Daewoo Heavy	6900	6600	6600	6850
Hyundai Eng.	17600	17200	17300	17300
Kia Motors	7700	7200	7200	7700
Korea El Pwr	18400	17300	18000	17300
Korea Exch Bk	4700	4600	4610	4630
LG Semicon	30700	29000	29000	29500
Pohang Iron St	49500	47800	49000	47500
Samsung Display	41200	39500	40000	39700
Samsung Elec	60900	59500	59500	59700
Shinhan Bank	7250	7010	7140	7250
SK Telecom	440000	414000	434500	415000

Singapore
Straits Times: 1877.69 Previous: 1901.24

	High	Low	Close	Prev.
Asia Pac Brew	5.10	5.10	5.10	5.10
Cerebos Pac	5.10	5	5	5.15
City Devlts	9.50	9.45	9.50	9.50
Cycle Carriage	8.80	8.65	8.65	8.80
Dairy Farm Int*	0.97	0.93	0.97	0.94
DBS foreign	16	15.50	15.80	15.70
DBS Land	3.50	3.44	3.48	3.48
Fraser & Neave	8.60	8.25	8.30	8.60
HK Land*	3.26	3.20	3.24	3.26
Jard Matheson*	7.95	7.90	7.90	7.80
Jard Strategic*	4.02	4	4.02	4.04
Keppel A	5.90	5.80	5.90	5.85
Keppel Bank	3.16	3.12	3.12	3.16
Keppel Fels	5.05	4.96	4.98	4.96
Keppel Land	3.52	3.40	3.44	3.52
OCBC foreign	9.90	9.75	9.85	10
OS Union Bk F	6.25	6.10	6.25	6.25
Parkway Hdgs	5.85	5.70	5.80	5.45
Sembawang	6	5.90	5.90	6
Sing Air foreign	12.10	11.80	12.10	12
Sing Land	6.30	6.25	6.25	6.25
Sing Press F	23.20	22.80	23.20	22.70
Sing Tech Ind	2.61	2.52	2.56	2.61
Sing Telecomm	2.35	2.32	2.34	2.34
Tat Lee Bank	2.78	2.77	2.78	2.78
Utd Industrial	0.99	0.98	0.99	0.99
Utd O'Sea Bk F	10.90	10.40	10.80	10.60
Wing Tai Hdgs	3.14	3.08	3.08	3.12

*: in U.S. dollars.

Stockholm
SX 16 index: 3528.87 Previous: 3502.18

	High	Low	Close	Prev.
AGA B	120	118	119.50	119.50
ABB A	108	107	107.50	106.50
AssiDoman	247	245	246	246
Astra A	131.50	128.50	129.50	128
Atlas Copco A	257	252	252	252.50
Autoliv	319	316	319	317.50
Electrolux B	688	668	668	680
Ericsson B	368.50	364	365	362
Hennes B	325	319	322	319
Incentive A	701	696	700	696
Investor B	402	395	398	395
MoDo B	280	274	278.50	276.50
Nordbanken	285	271	274	279.50
Pharm/Upjohn	268	262	267.50	271
Sandvik B	272	259	260	265.50
Scania B	234.50	232.50	233	232.50
SCA B	188	180.50	188	185
S-E Banken A	92.50	90.50	90.50	91.50
Skandia Fors	372	355	357	350
Skanska B	310.50	303	307.50	312
SKF B	240	236	236	236
Sparbanken A	186.50	180.50	182	183.50
Stora A	127.50	126	126.50	126.50
Sv Handels A	268	260	267	261
Volvo B	232.50	227	229	226.50

Sydney
All Ordinaries: 2662.30 Previous: 2694.50

	High	Low	Close	Prev.
Amcor	8.25	8.13	8.16	8.27
ANZ Bkng	10.70	10.54	10.40	10.80
BHP	15.78	15.51	15.51	15.79
Boral	4.45	4.37	4.41	4.46
Brambles Ind.	27.44	26.80	27.10	27.45
CBA	16.82	16.64	16.66	16.90
CC Amatil	13.26	12.60	12.70	13.27
Coles Myer	6.70	6.54	6.69	6.58
Comalco	6.60	6.55	6.60	6.60
CSR	5.15	5.02	5.10	5.15
Fosters Brew	2.84	2.82	2.82	2.84
Goodman Fld	2.18	2.17	2.18	2.18
ICI Australia	12.64	12.55	12.57	12.68
Lend Lease	30.20	29.51	29.51	30.43
MIM Hdgs	1.58	1.55	1.56	1.57
Nat Aust Bank	20.45	19.88	20.28	20.55
Nat Mutual Hdg	2.31	2.24	2.29	2.27
News Corp	6.85	6.76	6.77	6.87
Pacific Dunlop	3.76	3.73	3.75	3.75
Pioneer Intl	4.46	4.42	4.43	4.49
Pub Broadcast	8.66	8.40	8.50	8.70
Rio Tinto	20.20	20.03	20.11	20.30
St George Bank	8.52	8.43	8.43	8.52
WMC	6.12	5.94	5.95	6.06
Westpac Bkng	8.62	8.53	8.55	8.60
Woodside Pet	12.70	12.40	12.50	12.64
Woolworths	4.49	4.41	4.46	4.45

Taipei
Stock Market index: 8463.16 Previous: 8461.87

	High	Low	Close	Prev.
Cathay Life Ins	124.50	122	122	124
Chang Hwa Bk	97	95	95	97
Chiao Tung Bk	72	70.50	70.50	72
China Develpmt	98	96	97	96.50
China Steel	24.50	24	24.10	24.30
First Bank	97	95	95.50	97
Formosa Plastic	54	53	53.50	53.50
Hua Nan Bk	101	99.50	100	101
Intl Comm Bk	53.50	52.50	53	54
Nan Ya Plastics	62.50	60.50	61	62
Shin Kong Life	80.50	78.50	79.50	79.50
Taiwan Semi	157	152	157	147
Tatung	32.30	31	31	32
Utd Micro Elec	85	82	83.50	82
Utd World Chin	57	56	56.50	56

Tokyo
Nikkei 225: 17204.70 Previous: 17376.92

	High	Low	Close	Prev.
Ajinomoto	1030	1010	1010	1030
All Nippon Air	610	601	601	610
Amway	3650	3500	3650	3680
Asahi Bank	694	675	689	719
Asahi Chem	491	480	485	498
Asahi Glass	904	892	895	908
Bk Tokyo Mitsu	2040	2010	2030	2140
Bk Yokohama	495	490	494	492
Bridgestone	2970	2930	2960	2950
Canon	3450	3370	3450	3440
Chubu Elec	2010	1990	2000	2000
Chugoku Elec	1850	1800	1840	1850
Dai Nipp Print	2580	2550	2570	2580
Daiei	640	620	620	650
Dai-Ichi Kang	1160	1080	1090	1170
Daiwa Bank	500	460	460	528
Daiwa House	1160	1120	1120	1170
Daiwa Sec	742	725	726	740
DDI	5320a	4950a	5100a	5330a
Denso	2670	2640	2660	2670
East Japan Ry	5700a	5640a	5670a	5640a
Eisai	2180	2140	2180	2190
Fanuc	4950	4840	4940	4970
Fuji Bank	1260	1220	1240	1280
Fuji Photo	5010	4930	4970	4950
Fujitsu	1530	1490	1490	1550
Hachijuni Bk	1190	1170	1170	1210
Hitachi	1110	1080	1100	1110
Honda Motor	4270	4220	4240	4320
IBJ	1390	1350	1370	1400
IHI	254	248	248	253
Itochu	385	365	385	383
Ito-Yokado	6530	6420	6420	6500
JAL	403	400	401	403
Japan Tobacco	9800a	9700a	9780a	9770a
Jusco	2400	2220	2310	2450
Kajima	514	503	514	505
Kansai Elec	2020	2000	2010	2020
Kao	1710	1670	1710	1680
Kawasaki Hvy	360	354	357	365
Kawa Steel	204	192	194	207
Kinki Nipp Ry	666	660	660	665
Kirin Brewery	1010	1000	1000	1020
Kobe Steel	136	133	136	135
Komatsu	615	603	610	608
Kubota	399	389	394	383
Kyocera	7460	7330	7370	7680
Kyushu Elec	1920	1900	1910	1930
LTCB	512	490	490	522
Marubeni	360	340	340	348
Marui	2090	2060	2060	2050
Matsu Comm	3940	3910	3910	3860
Matsu Elec Ind	2270	2250	2270	2260
Matsu Elec Wk	1170	1160	1160	1170
Mitsubishi	1090	1070	1090	1090
Mitsubishi Ch	258	248	255	252
Mitsubishi El	450	432	441	446
Mitsubishi Est	1760	1720	1730	1760
Mitsubishi Hvy	651	635	646	629
Mitsubishi Mat	569	534	557	548
Mitsubishi Tr	1850	1790	1790	1870
Mitsui	945	930	932	930
Mitsui Fudosn	1420	1390	1400	1410
Mitsui Trust	527	496	502	547
Murata Mfg	5480	5440	5440	5490
NEC	1510	1490	1500	1508
Nikon	1940	1920	1930	1950
Nikko Sec	500	491	497	504
Nintendo	11600	11500	11500	11700
Nipp Express	642	614	615	652
Nippon Oil	522	498	511	520
Nippon Steel	257	251	252	261
Nissan Motor	672	648	665	689
NKK	169	163	168	166
Nomura Sec	1620	1600	1600	1640
NTT	1080b	1050b	1050b	1100b
NTT Data	6080b	5870b	6030b	6060b
Oji Paper	583	546	574	563
Osaka Gas	275	270	270	272
Ricoh	1790	1770	1770	1800
Rohm	14100	14100	14100	14100
Sakura Bk	530	488	490	530
Sankyo	4020	3960	4010	3990
Sanwa Bank	1440	1410	1410	1470
Sanyo Elec	385	376	385	370
Secom	8660	8580	8630	8610
Seibu Rwy	4720	4690	4690	4800
Sekisui Chem	808	790	808	795
Sekisui House	1010	975	981	1030
Seven-Eleven	9350	9280	9310	9330
Sharp	1020	995	1020	1010
Shikoku El Pwr	1850	1830	1850	1830
Shimizu	506	490	499	499
Shin-etsu Ch	3530	3490	3500	3500
Shiseido	1910	1880	1880	1940
Shizuoka Bk	1250	1210	1230	1230
Softbank	4900	4490	4540	4980
Sony	11400	11100	11300	11600
Sumitomo	860	811	820	859
Sumitomo Bk	1760	1710	1720	1790
Sumit Chem	413	404	406	418
Sumitomo Elec	1790	1760	1790	1790
Sumit Metal	276	270	275	276
Sumit Trust	1180	1150	1160	1200
Taisho Pharm	3130	3080	3090	3140
Takeda Chem	3600	3520	3550	3630
TDK	11000	10700	11000	11000
Tohoku El Pwr	1870	1840	1860	1860
Tokai Bank	885	860	871	909
Tokio Marine	1410	1370	1380	1430
Tokyo El Pwr	2220	2180	2190	2180
Tokyo Electron	8340	8240	8280	8360
Tokyo Gas	268	263	265	269
Tokyu Corp.	519	497	498	515
Tonen	1010	991	991	1010
Toppan Print	1670	1650	1640	1660
Toray Ind	675	657	657	695
Toshiba	583	572	573	583
Tostem	1880	1810	1840	1890
Toyo Trust	970	931	939	972
Toyota Motor	3690	3650	3670	3680
Yamanouchi	3020	2970	2980	3020

a: x 100; b: x 1,000

Vienna
ATX index: 1412.85 Previous: 1406.68

	High	Low	Close	Prev.
Boehler-Uddeh	1058	1033.20	1046	1045.10
Creditanst Pfd	690.75	666.15	688.55	671
EA-Generali	3130	3100	3100	3095
EVN	1515	1491	1493	1498
Flughafen Wien	521	518	519.50	518.50
OMV	1879.90	1830	1852	1850
Oest Elektriz	934	910.50	925.05	910.10
VA Stahl	603	596.70	600	597.50
VA Tech	2534	2463	2521	2488
Wienerberg Bau	2555	2520	2541	2534

Wellington
NZSE-40 index: 2572.10 Previous: 2602.83

	High	Low	Close	Prev.
Air NZeald B	4.10	4.02	4.10	4.03
Brierly Invt	1.37	1.36	1.37	1.38
Carter Holt ord	3.58	3.54	3.58	3.59
Fletch Ch Bldg	5.11	5.08	5.08	5.13
Fletch Ch Eny	7.48	7.30	7.45	7.21
Fletch Ch Forst	1.96	1.93	1.94	1.96
Fletch Ch Paper	3.25	3.24	3.25	3.26
Lion Nathan	3.99	3.97	3.99	3.99
Telecom NZ	8.08	8.06	8.08	8.13
Wilson Horton	11.29	11.25	11.25	11.29

Zurich
SPI index: 3699.30 Previous: 3652.50

	High	Low	Close	Prev.
ABB B	2217	2188	2202	2189
Adecco B	541	523	523	537
Alusuisse R	1439	1421	1428	1427
Ares-Serono B	2749	2640	2680	2660
Atel R	890	890	890	890
Baer Hdg B	2314	2300	2314	2296
Baloise Hdg R	2340	2240	2320	2235
BK Vision	1272	1240	1272	1240
Ciba Spec Chem	148.25	146.25	147	145.50
Clariant R	1209	1188	1206	1177
Crd Suisse Gp R	219.50	212	219.50	210.50
Elektrowatt B	536	534	536	537
Ems-Chemie	7050	6940	6995	7000
ESEC Hdg	4450	4300	4380	4350
Holderbank B	1396	1383	1393	1377
Liechtenst LB B	573	571	573	571
Nestle R	2099	2067	2080	2062
Novartis R	2260	2224	2229	2220
Oerlikn Buehr R	195.50	193	195	193.50
Pargesa Hld B	1890	1860	1880	1890
Pharma Vision B	900	885	898	890
Richemont A	1970	1950	1965	1944
Pirelli PC	337.50	334.50	335	335
Roche Hdg PC	13050	12800	12970	12870
SBC R	404.50	398.50	403.50	395
Schindler PC	1752	1745	1750	1745
SGS B	2785	2710	2785	2700
SMH B	918	907	910	915
Sulzer R	1170	1155	1158	1150
Swiss Reins R	2208	2177	2190	2174
SAirGroup R	1950	1905	1950	1903
UBS B	1702	1649	1702	1639
Winterthur R	1594	1528	1591	1520
Zurich Assur R	645	625	641	599

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The Associated Press.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
		A-B-C								
38¾	24⅛	AAR	.48	1.4	24	411	36⅞	35	35⅞	+⅛
24⅞	18⅛	ABN Am n	.56e	2.6	...	417	21⅞	20⅞	21⅛	+⅛
101⅛	51½	ACE Ltd	.88	.9	13	224	99	97⅞	97⅞	-1⅛
11	9⅞	ACMIn	.90a	8.4	...	303	10⅝	10⅛	10⅛	-⅛
8⅛	6⅞	ACM Op	.63	8.0	...	265	7¾	7¾	7⅞	+⅛
10⅛	8⅛	ACM Sc	.90	8.9	...	818	10⅛	10	10⅛	...
7	6⅛	ACMSp	.57	8.8	...	654	6½	6⅜	6⅛	...
15	11½	ACMMD	1.35	9.3	...	384	14⅝	14½	14⅝	+⅛
10½	9⅛	ACM MI	.90	8.8	...	91	10⅝	10⅛	10⅛	-⅛
14⅛	12⅛	ACMMu	.90	6.4	...	100	14⅛	13⅞	14⅛	+⅛
24⅝	14	ACNiels	...	...	32	2102	23⅞	22⅞	22⅞	-⅞
27⅞	16⅛	ACX Tech	...	...	71	198	26⅛	26	26⅛	...
49⅛	20⅛	AES Cp s	...	...	48	2006	46½	45⅛	45⅛	-1⅛
73⅛	48	AES pfT	2.69	3.8	...	62	71⅛	70	70	-1⅛
57⅛	35⅛	AFLAC	.46	.8	19	615	54⅛	53⅞	54⅛	+⅛
36⅛	23⅛	AGCO	.04	.1	13	2103	32⅛	31⅛	31⅛	+⅛
22	18⅛	AGL Res	1.08	5.8	13	1244	18⅞	18⅛	18⅛	-⅛
19⅛	13⅛	AJL	1.44	8.5	...	259	16⅝	16⅛	16⅛	...
48⅛	34⅛	AK Steel	1.00f	2.2	9	842	45⅛	44⅛	44⅛	+⅛
24⅛	20⅛	AMLI Rs	1.72	7.3	19	158	23⅛	23⅛	23⅛	-⅛
119⅛	78⅛	AMR	...	...	13	2707	121⅛	118⅛	119⅛	+⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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TECHNOLOGY

Will Trial Shed Light on Shadowy Surveillance-Equipment Law?

By John Markoff
New York Times Service

SAN FRANCISCO — "It's sorta dodgy business," Gilbert Walz said to someone who had expressed an interest in purchasing gear allowing the monitoring of cellular-telephone conversations, according to a report later filed by the ostensible buyer, who was actually a federal investigator.

Dodgy or not, eavesdropping equipment has long been a hidden but stable part of the high-technology world of Silicon Valley, a lucrative commercial netherworld whose merchants legally sell their wares to law-enforcement agencies, government officials and telecommunications companies. Often, however, the same equipment ends up in the hands of others, ranging from simple voyeurs to drug dealers.

A federal trial set to begin Tuesday in San Jose, California, will shed light on the traffic in sophisticated eavesdropping technologies, raising troubling questions about personal privacy in the era of wireless communications.

The Justice Department has filed federal charges of conspiracy to manufacture and sell surveillance equipment against two Burlingame, California, men. Gilbert Walz, 41, the owner of Tech Support Systems, a small company based in Burlingame, was charged in an indictment filed in March with having illegally conspired to ship electronic surveillance gear from Canada to a Cooksville, Tennessee, man who was working as a federal informant.

Mr. Walz's partner, Jude Daggett, was indicted in June on charges of manufacturing and selling such equipment illegally after he purportedly sold a second informant a software program that is used to control a cellular eavesdropping device.

Both men have pleaded not guilty.

The case offers a window into the world of surveillance technology, where the distinction between what is legal and what is not depends entirely on circumstances — the ability of a seller to verify the identity of a buyer, for instance.

Ironically, some of the evidence against Mr. Walz was obtained through federal telephone surveillance, according to documents.

Last year, separate federal charges against both men for illegal sales of such equipment to Mexican officials proved so sensitive that the trial was monitored by federal intelligence officials, closed at the request of the federal government and later postponed. Those charges, to which the men have pleaded not guilty, are still pending.

The legality of a sale may depend on knowing who the buyer really is.

The laws involved in these cases are complex. Eavesdropping equipment itself may be built and sold legally under federal law, government prosecutors argue, as long as the buyers are government agencies or telecommunications companies.

High-technology wireless listening gear is readily available for eavesdropping and location-tracking purposes, according to communications industry specialists. Assembled by companies such as Tech Support Systems, the equipment is then resold through a network of small security consulting firms and spy shops in the United States. In addition, in an interview last week, Mr. Walz said he often had sold and shipped such equipment directly to embassies in Washington, which would have been able to reship it overseas in diplomatic pouches, avoiding the scrutiny usually given to the export of such devices.

Illicit uses of the gear, according to experts, range from just-for-kicks voyeurism to industrial espionage. In some cases, the equipment has been purchased by organized-crime and drug cartels in the United States and in Mexico and South America to track law-enforcement agents in the field, according to communications technology specialists.

The Tech Support Systems equipment gives the user the ability to listen to and record dozens of cellular-telephone channels simultaneously and to target locations and focus on calls to specific numbers. The company also sold surveillance gear to government and intelligence agencies in Mexico, Brazil, Italy, South Korea, Malaysia, Canada and the Philippines, among others, according to the documents.

In recent years, eavesdropping devices have played a part in dramas as diverse as the political wars of Newt Gingrich, the speaker of the U.S. House of Representatives, and the travails of Britain's royal family.

The equipment that can track such calls is currently being advertised "for law enforcement use only" on the Internet by G-COM Technologies Ltd. of New York.

"The nation's communication system is disturbingly open," said James Dempsey, a consultant in Washington and a specialist on communications privacy law. "Cellular phones are particular vulnerable, and obviously there is a market for devices that do this."

Mr. Walz and Mr. Daggett say the equipment they sell has a variety of nonsurveillance applications. Mr. Walz also said that in 1996 when he tried to ask federal prosecutors for a clear definition of the limits set by the law, he was told the authorities could not advise him.

The company was, however, able to obtain export licenses from the Commerce Department for some of its sales to private companies, Mr. Walz said.

Communications engineers said court rulings had created loopholes that permitted eavesdropping on portable phones and baby monitors while outlawing surveillance of cell phones.

"The question is, does the design of the equipment render it primarily useful for electronic interception?" said James Ross, an electronics engineer in Sterling, Virginia. "This is the only law I know of that a person doesn't know until he is indicted what the law actually covers."

• Recent technology articles:
www.iht.com/IHT/TECH/

On-Line Outlet for Mideast Tensions

Muslim Groups Use the Web to Spread Ideology and Advice

By Youssef M. Ibrahim
New York Times Service

Where To Go

■ ISLAMIC GATEWAY
http://ummah.org.uk

■ DATING SERVICE FOR MUSLIM MEN AND WOMEN
http://www.academic.marist.edu/hayman/muslim.html

■ INFORMATION AND SUGGESTIONS OF MUSLIM NAMES
http://www.uidaho.edu/~yusuf921/names.html

■ CYBERMUSLIM INFORMATION COLLECTIVE
http://www.uoknor.edu/cybermuslim/cybermuslim.html

NYT

LONDON — In the real world of Middle Eastern conflict, the militant Islamic organization Hamas and Israel's intelligence agency Mossad locked horns long ago, exchanging assassinations and other violent attacks in a macabre pursuit of one another.

There is nothing quite like this on the World Wide Web yet, but echoes of the intensity of Islam's confrontation with Zionism and Western culture are mixing on the Web with the sounds of young high-tech Muslims from all around the globe wandering the Internet.

Following the lead of the Vatican, which established a Web site last year, organizations such as Hamas, Hezbollah and Islamic Gateway — whose motto is, "We aim to put the FUN back into fundamentalism" but whose message often is less than jolly — and others are filling cyberspace with Muslim sites of all descriptions.

They emanate from the Middle East, Europe and several American campuses. They dispense opinions on subjects ranging from male circumcision to lists of Muslim names for the newborn. They create "Comfort Zones" with dating and marriage services for conservative Muslims and religious advice on the benefits of polygamy.

But a survey of some of these sites over several weeks reveals that many also serve as outlets for a deep rage over what some Muslims see as hostility against Islam in the West and Israel.

The common denominator among these polemical sites is a call to stand up to what the Muslims perceive as oppression and slights against their co-religionists in Bosnia, in Chechnya, in the West and, above all, in Israel.

It is unclear whether the sites expressing more militant views are becoming an effective tool for propaganda, recruiting and communication among revolutionary groups battling to change the status quo. But they are being watched.

"Of course we keep an eye on all these sites, even the harmless ones," a senior Saudi intelligence official who asked not to be further identified said earlier this year. The monitoring process has yet to yield an arrest for terrorism, but he argued that it remained useful. "You know," he said, "one name leads to another. Many are militants, and the information adds up."

Paranoia about the Internet, of course, is at least as prevalent as the paranoia and conspiracy theories found on the Internet; many Islamic-centered sites are no more offensive than the Web pages of, say, record companies, tourist offices, automobile manufacturers or movie fans. But the violence in the Middle East makes the stridency of some of the militant Islamic sites unsettling.

A group called the Lebanese Resistance to Israeli Occupation of Southern Lebanon, for example, has a site that promises periodic reports on military operations against Israel.

The Saudi religious opponents of King Fahd have a page run by the Committee for the Defense of Legitimate Rights that lists in excruciating detail, every day, the alleged transgressions and shortcomings of the Saudi royal family, whose overthrow the organization advocates.

In this part of the Internet, the dominant theme is that Muslims are a persecuted group pursued by a viciously racist West in alliance with Israel. On many of these sites, the presumption is that UN weapons-inspection teams in Iraq are intelligence agents from Israel, the United States and Britain. Many of the sites also say the various embargoes against Libya, Iran and Iraq are part of an "Anglo-Saxon-Zionist" policy of "genocide by sanctions."

Muslim rulers in most countries do not fare much better. They are invariably described as Western stooges.

By far the most extensive site is Islamic Gateway, which is based in London and fills the Internet with opinions and information about Muslim political and religious issues, dispatching them daily on its growing mailing list of about 15,000. Despite its motto of restoring the fun to fundamentalism, the site brims with anger and an overarching desire to create solidarity among Muslims worldwide.

The site acts as an open forum on topics ranging from Kashmiri Muslims' struggle for independence from India to the views of the fiercely militant Taleban movement of Afghanistan and those of Ossama ben Laden, a Saudi dissident who was stripped of his Saudi citizenship and is based in Afghanistan.

Most of the Web sites, with names such as Cybermuslim, Dunya, Sufi Center Bookstore and the American Islamic Group of San Diego, whose motto is "fear only Allah the Almighty," encourage e-mail replies.

Companies Draw Up Plans To Expand 'Smart Card' Use

By Paul Floren
Special to the Herald Tribune

PARIS — Several major corporations say they are developing new "smart card" technology in a variety of fields.

On the eve of the Carte 97 conference here, the companies said they were expanding the reach of the cards, which are unlike normal credit cards in that they contain microprocessors that allow them to store data.

Citibank said it would integrate a chip into its bank cards so they could hold account information, loan-payment data and such records as hotel and airline billings.

Nokia Group said it would embed new smart cards into its cell phones to provide secure access over wireless networks, such as to the Internet.

Daimler Benz AG plans to issue smart cards to clients to track maintenance, service and diagnostic records.

Sanjaya Addanki, general manager for networking computer solutions at International Business Machines Corp. for Europe, the Middle East and Africa, estimated that the smart-card market would grow to $15 billion by 2000 from $2 billion this year.

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INTERCLIMA - International Heating, Refrigerating and Air-Conditioning Exhibition	3 - 8	November 97
INTERSELECTION - The International Exhibition for Volume Retail Fashion	18 - 21	November 97
NOUVEAU REGARD - The Exhibition for Fabric Quick Response	20 - 21	November 97
EUROPLAST - 10th International Exhibition for Plastics, Rubber and Composite Materials	24 - 28	November 97
MIDEST - The International Subcontracting Exhibition	24 - 28	November 97
MAISON&OBJET - The International Home Decoration, Giftware and Tableware Exhibition	9 - 13	January 98
CONFORTEC INTERNATIONAL - Trade Show for Household Appliances	25 - 28	January 98
JOUET - International Toy Fair	29 January - 2	February 98
EXPOBOIS - International Exhibition of Woodworking Machinery Manufacturers and Timber Industries	20 - 24	February 98
PREMIERE VISION - LE SALON - The World's Premier Fabric Show ©	6 - 9	March 98
INDIGO - International Exhibition of Creation and Design for Fashion and Decoration	6 - 9	March 98
MOD'AMONT - Fashion Supplies and Trimming Trade Fair	6 - 9	March 98
MIDEC - International Shoe Fashion - Paris	8 - 10	March 98
SITL - International Week of Transport and Logistics	17 - 20	March 98
LOGIBOX - Solutions for Logistics Facilities	17 - 20	March 98
MACHINE OUTIL - International Exhibition of Production Equipment for the Mechanical Industries	30 March - 3	April 98
EURO ASSEMBLAGE - International Exhibition on Industrial Assembly Machines, Equipment and Components	30 March - 3	April 98
INTEROUTIL - International Exhibition on Cutting/Shaping Tools for Metals, Plastics and Composite Materials	30 March - 3	April 98
INTERQUAL.TE - International Exhibition of Equipment for Measuring and Controlling Quality of Production, Software, Consultancy and Services in the Field of Quality and Quality Assurance	30 March - 3	April 98
THERMIC - International Industrial Heat Equipment Exhibition	30 March - 3	April 98
MECANELEM-MECATRONIC - International Exhibition of Mechanical, Hydraulic, Oil-Hydraulic, Pneumatic, Electric and Electronic Power, Drive and Servo Components and Systems for Design, Manufacture, Integration and Maintenance	30 March - 3	April 98
HOPITAL EXPO	30 March - 3	April 98
INTERSELECTION - The International Exhibition for Volume Retail Fashion	12 - 15	May 98
NOUVEAU REGARD - The Exhibition for Fabric Quick Response	14 - 15	May 98
GRAPHITEC - The Exhibition for Design, Processing Transmission, Printing and Distribution of Information	12 - 16	May 98
EDITION PC - The Exhibition for Computer Assisted Publishing Solutions Applied to Business	12 - 16	May 98
CORRUGATED - Corrugated Board Manufacturing and Converting Exhibition	4 - 9	June 98

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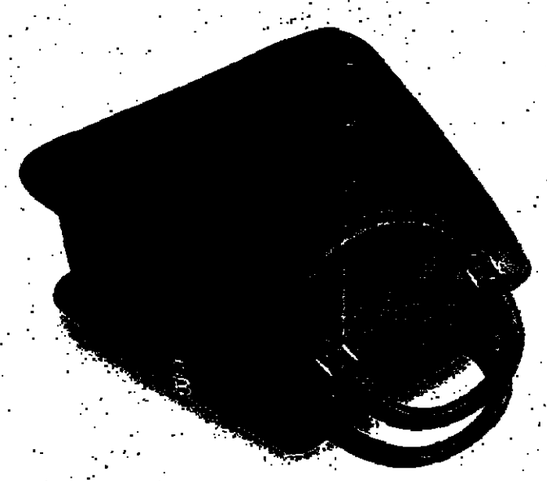

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Surplus Rises In Japan on Low Demand For Imports

Compiled by Our Staff From Dispatches

TOKYO — Japan's surplus in the broadest measure of trade grew 78 percent in August from a year earlier because of weak demand for imported goods, the Finance Ministry said Monday.

The current-account surplus, which measures trade in merchandise, services, tourism and investment before adjustment for seasonal factors, jumped to 817.8 billion yen ($6.74 billion) in August.

Japan's overall trade surplus rose to 912.6 billion yen from 543.2 billion yen a year earlier on exports of 3.83 trillion yen, up 14 percent, and imports of 2.91 trillion yen, up 3 percent.

Imports fell 8.1 percent in August from July, the biggest decline since August 1996. But exports were up only 0.7 from the month before as an slowdown in Southeast Asia reduced Japan's shipments to that region.

Analysts said Japan's trade surplus with the United States and Europe was likely to expand at least until early next year, and they warned that the continued growth would further fuel trade friction between Tokyo and Washington.

"The United States has overlooked Japan's external surplus earlier this year," Kazutoshi Aratake, an analyst at Nikko Research Institute, said. "But recent levels of the surplus, particularly in the auto trade, gave Washington the nerves."

(AP, AFP, Bloomberg)

Singapore Rides Out Asian Storm

By Michael Richardson
International Herald Tribune

SINGAPORE — Despite more than three months of turmoil on Southeast Asia's currency and stock markets that rocked even the normally sturdy Singapore dollar and sent shares in the island-state into a tailspin, Singapore's economy will weather the storm without any major loss of economic momentum, officials and independent analysts say.

Asked in Parliament recently how Singapore was being affected by the crisis in the region, Finance Minister Richard Hu replied that the "immediate impact" was "very small, certainly for this year."

He repeated official forecasts that the Singapore economy would grow by 6 percent to 7 percent this year after inflation. But he declined to give a forecast for next year, saying that growth in goods and services, particularly in tourism, "could be weaker, reflecting slower growth and poorer business sentiment in the regional economies." In the longer term, he said, the impact "will depend on how quickly the regional economies resume their normal growth."

Singapore's fellow members of the Association of South East Asian Nations account for almost 25 percent of its trade, so the prolonged currency weakness and the resulting economic slump will clearly have some impact on Singapore's growth prospects. Moreover, Singapore finds itself in a less competitive position after the dramatic drop in the value of currencies in Indonesia, Thailand, Malaysia and the Philippines. The other members of ASEAN are Brunei, Burma, Laos and Vietnam.

In managing its dollar, Singapore uses a trade-weighted basket of foreign currencies in which the U.S. dollar is only one component. So far this year, the Singapore dollar has risen 26 percent against the Thai baht, 39 percent against the Indonesian rupiah, 12 percent against the Malaysian ringgit and 3.3 percent against the Deutsche mark. But it has fallen 9 percent against the U.S. and Hong Kong dollars, 9.4 percent against the Chinese yuan and 5.6 percent against the yen.

But Mr. Hu said the impact of the falls in the Indonesian and Thai currencies on the competitive position of Singapore in other markets was not large, because those countries' exports were different from Singapore's. The biggest impact would come from the fall in the ringgit, he said. "If the large differential persists, then, of course, the issue of competitiveness against us becomes a little more important because there is some overlap in the middle range" of Singapore's exports with those of Malaysia.

Although the Singapore dollar's rise against the ringgit and other regional currencies will lead to lower prices for imported food from countries such as Malaysia and Indonesia, it also will tend to cut into tourist arrivals from within the region. Visitors from other ASEAN nations are the largest source of tourist arrivals in Singapore.

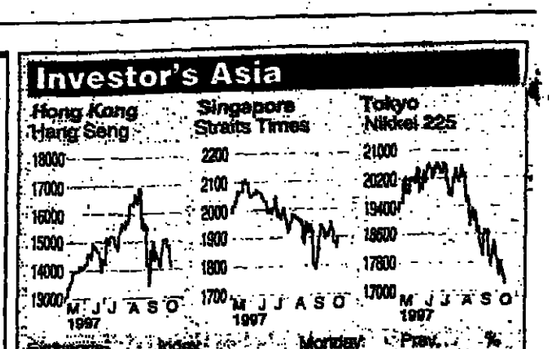
Still, Singapore's exports are diversified — about 29 percent go to the United States, 18 percent to the European Union and 9 percent to Japan, with only 20 percent dependent on ASEAN markets — so its economy appears well placed to take advantage of growth in North America, Europe and Japan.

"All in all, the net effect of the regional slowdown on the Singapore economy will be mildly negative," an analyst at SocGen-Crosby Research said. "We are likely to see a moderation of real GDP growth from 7.3 percent this year to 6.8 percent next year and 7 percent in 1999."

Political and Economic Risk Consultancy, based in Hong Kong, is more pessimistic. It sees Singapore's growth tapering down to 6.5 percent in 1997 and 5.8 percent in 1998.

"Domestically, Singapore is in a good position to ride out the current turmoil," the consultancy said in a recent report. "But to the extent that the currency and stock-market turbulence force an economic slowdown in neighboring countries, Singapore's trade, and by implication its GDP growth, will also be affected."

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	14,672.90	14,273.12	+1.40
Singapore	Straits Times	1,877.69	1,901.84	-1.24
Sydney	All Ordinaries	2,663.38	2,694.50	-1.16
Tokyo	Nikkei 225	17,204.70	17,376.92	-0.99
Kuala Lumpur	Composite	621.52	624.01	-0.30
Bangkok	SET	530.85	534.58	-0.90
Seoul	Composite Index	613.00	620.23	-1.17
Taipei	Stock Market Index	8,458.16	8,461.87	+0.02
Manila	PSE	2,083.09	2,081.41	+0.03
Jakarta	Composite Index	594.83	594.75	+0.01
Wellington	NZSE-40	2,892.10	2,902.03	-0.38
Bombay	Sensitive Index	4,086.86	4,077.37	+0.21

Source: Telekurs International Herald Tribune

Very briefly:

• **Airbus Industrie** plans to sell more than 100 aircraft to India in the next 15 years, about half of what the European plane-making consortium estimates the country will need.

• **China's** oil production is not growing quickly enough to meet the demands of its accelerating economy, and Beijing will have to rely on international cooperation in the years ahead, a senior official said. He forecast that China would need 195 million tons of oil by 2000 and 265 million tons by 2010.

• **Exxon Corp.** will continue oil and gas exploration in China despite coming up empty-handed in its current drilling operations. The U.S. oil company also plans to build an oil refinery in Fujian Province, a project it valued at "several billion dollars."

• **Japanese** personal-computer makers plan to increase exports of notebook PCs to the United States because of the weak yen and growing demand. Japan's exports of notebook PCs soared 220 percent from a year earlier in January through August.

• **Nike Inc.** fined **Taiwanese Pou Chen**, a joint-venture plant in Vietnam, $5,000 after a female supervisor ordered workers to produce rubber sex toys. The plant was ordered to halt production of the toys. *AFP, AFX, Reuters*

Amid Criticism, Thailand Eases Curbs on Failed Firms

Compiled by Our Staff From Dispatches

BANGKOK — The government relaxed some of the terms Monday for 58 suspended finance companies to resume business, but analysts said they doubted the steps would help revive many of the companies.

"We have been waiting a long time for Thailand to devise, agree and implement a sustainable solution to the significant shortcomings in its economy and financial sector," said Mark Leahy, manager of Asian fixed-income trading for HSBC Markets in London. "So far we've had little concrete evidence of any credible plan."

The measures indicate the government is willing to leave the door open for failed finance companies to live on, analysts said, rather than disposing immediately of those with little left to offer.

The government has given or loaned the finance companies 430 billion baht ($12.03 billion) in a failed attempt to keep them solvent since June. On Monday, Finance Minister Thanong Bidaya said companies that could raise the cash to offset their huge loan defaults could get back in business.

He also foreign investors would be allowed to take majority stakes in any revived finance companies for as long as 10 years and that a final ruling on the future of the 58 companies would not be made until at least the end of November.

(Reuters, Bloomberg)

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THE WORLD'S DAILY NEWSPAPER

'Shock Waves' for World in Currency Turmoil

Compiled by Our Staff From Dispatches

HONG KONG — Political and business leaders gathered Monday for the East Asia Economic Summit, with warning about the region's troubles and China's pledge to speed reforms at center stage.

Steve Hanke, a professor of economics at Johns Hopkins University, speaking of Southeast Asia's economic problems, said deflationary forces in the region would "send shock waves through the global capital markets."

He said the Asian crisis was more troubling for the world than the sudden fall of the Mexican peso was in 1994-95, because Asian economies accounted for almost a quarter of the world's exports of goods and services.

The chairman of China's State Economic and Trade Commission, Wang Zhongyu, told the opening session of the three-day meeting that Beijing would undertake faster reform of state-owned companies to try to create world-class companies "with names in the Fortune 500" by the turn of the century.

President Fidel Ramos of the Philippines and Singapore's prime minister, Goh Chok Tong, will address the forum. Prime Minister Mahathir bin Mohamad of Malaysia was invited but declined to attend, according to organizers.

Malaysia will release its 1998 budget Friday, and analysts and investors will be watching for measures aimed at lowering the country's current-account deficit.

"The expectations being created may be so much more than can possibly be fulfilled," said Loh Eng Seng, chief economist at TA Securities. "We may be setting ourselves up for a bigger fall."

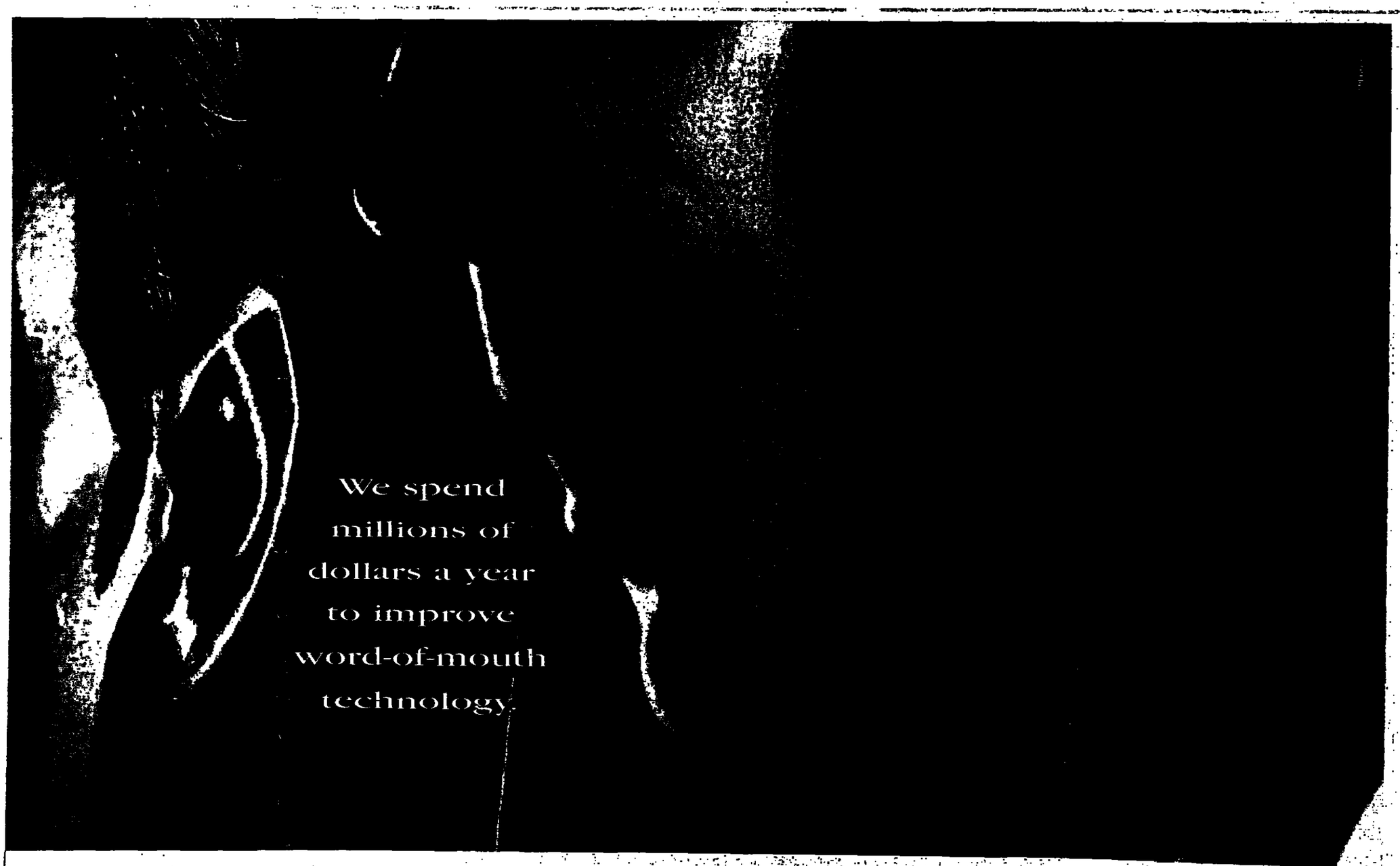
Malaysia's finance minister, Anwar Ibrahim, spent much of last week telling Malaysians the budget would be a difficult one. *(AFP, Bloomberg)*

Red-Chip Shares Take a Tumble

Reuters

HONG KONG — Shares of "red-chip" companies — those listed in Hong Kong that have financial backing from mainland China — fell Monday, triggered by a plunge in Beijing Enterprises Holdings Ltd. shares and fears that the flow of mainland capital to the companies might dry up, analysts said.

The Hang Seng China-Affiliated Corporation Index dropped 177.98 points, or 6.21 percent, to 2,687.13, its lowest closing level since mid-June. Beijing Enterprises lost 5.40 Hong Kong dollars, or 13.2 percent, to close at 35.50 ($4.59).



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NASDAQ

Monday's 4 P.M.
The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Monday's 4 P.M. Close
(Continued)

Herald International Tribune
SPORTS

WORLD ROUNDUP

Duval Wins Playoff

GOLF David Duval made a 10-foot birdie putt on the first hole of a three-man playoff and won the Michelob Championship in Williamsburg, Virginia. It was his first career victory.

Duval had finished tied with Duffy Waldorf and Grant Waite, who all finished with four-round totals of 271, 13 under par, Sunday. *(AP)*

Record Falls in China

SWIMMING Chen Yan broke the women's 400-meter individual medley world record when she clocked 4 minutes, 34.79 seconds at China's National Games in Shanghai on Monday.

Chen, 16, broke the mark of 4:36.10 set by Petra Schneider of East Germany at the world championships in August 1982. *(Reuters)*

England Fans Convicted

SOCCER Four England fans were given suspended jail sentences in Rome on Monday after assaulting Italian police officers before and during Saturday night's World Cup qualifier. All received eight-month suspended sentences.

Twenty other fans are awaiting trial in a Rome jail. *(AFP)*

Four Clubs in One Bag

SOCCER ENIC, an English investment company, said Monday it had added to its soccer portfolio by buying AEK Athens, a leading Greek club, for £6 million ($9.6 million).

The company also has stakes in Vicenza, which finished eighth in Italy's Serie A last season, and Slavia Prague, a top Czech team. ENIC also owns 25 percent of the Glasgow Rangers, the Scottish champions.

Robert Hersov, the managing director of ENIC, said the company would make further soccer investments and that each team operated independently. *(AP)*

Wolverines Seek Coach

BASKETBALL Tom Goss, the University of Michigan's athletic director, said Ben Braun, the coach at California, was on his list of possible successors to Steve Fisher as basketball coach. Fisher, who led Michigan to the NCAA title in 1989, was fired Friday, one day after a law firm hired by the university to investigate its basketball program issued a report that found three NCAA violations. *(AP)*

Soccer's 'Vietnam' In Central America.

Salvadoran Fans Create a War Zone

By Serge F. Kovaleski
Washington Post Service

SAN SALVADOR — It is a vortex of savage soccer hooliganism.

There has been the sacrificial throwing of animals, mostly chickens, cats and iguanas, both dead and alive. There are the occasional showers of urine, fecal matter and pica-pica, a plant dust that causes itching and irritation of the skin.

Goals are sometimes celebrated with gunshots. Firecrackers, rocks and other projectiles routinely erupt. A referee was left staggering after he was belted in the head with a bottle at the end of a recent World Cup qualifying match.

Welcome to "Vietnam."

It is a hard-bitten stretch of about 16,000 cheap concrete seats at Cuscatlan Stadium here in El Salvador's capital that is arguably the most notorious section of soccer diehards in Latin America. They are a stew of some of the poorest, most violent and most desperate people in this Central American country of 6 million residents.

Since the late 1960s, generations of these fans and their section have been collectively dubbed Vietnam, a folklorish moniker that reflects their battlefield brand of rooting — in both local and international games — that today has developed an even tougher edge with the emergence of armed gangs in the nation's cities.

"You have to have guts to come here," Oscar Fonceca, 26, said while standing in Vietnam during a match between El Salvador and the United States this summer. "Here we have the real people, and we have our own law."

Police officer Rodolfo Arevalo, who was assigned to Vietnam at last month's contest between El Salvador and Canada, offered his perspective. "This a feared place, a very tense and nervous place," he said. "It is for people with no means and no culture at all, and the worst things come here. But a lot of emotions come here, too."

The National Civilian Police dispatched 2,000 officers to provide security at the game — nearly one-seventh of the force. Large numbers of firearms and knives were confiscated before the match at checkpoints around the stadium, and dozens of arrests had been made by the time the final whistle blew. Security was so tight that radios were banned from the arena for fear the batteries would become airborne.

Arevalo said that what goes on in Vietnam *is illustrative of how El Salvador's 12-year civil war, which ended* in 1992 with the signing of a UN-brokered peace accord, fostered a culture of violence and lawlessness that still persists in this country. Looking around as several of his fellow officers wrestled a thrashing fan out of the section, he said, "You really have to be here to comprehend what Vietnam is like."

There have been concerns that out-of-control fans could cause soccer's world governing body to penalize El Salvador's soccer federation and require the team to play home matches in another country.

While denouncing the violence, Sergio Valencia, who plays on El Salvador's national team, said that soccer for the fans in that section is an escape from the hardships of life. "They are the poorest of the poor. And they come here to live and release their stress, and they express it in different ways," he said.

Lately, Vietnam — where it costs about $5 to sit on the sun-drenched east side of the 42,000-seat stadium — has been receiving international attention as El Salvador competes in a six-nation qualifying tournament for the World Cup in France next year. The regional security office of the U.S. Embassy here, for instance, issued an advisory two weeks before the United States played El Salvador.

"The ambassador has determined that, for safety reasons, all official U.S. government employees and dependents assigned to El Salvador are prohibited from attending" the match, the notice said. "U.S. citizens attending the recent match between Guatemala and the U.S. in El Salvador were threatened by fans and pelted by dangerous projectiles."

The statement implored any American citizen planning to go to the game "to consider the danger they and their children might confront at such an event." Prior to the match, which ended in a 1-1 tie, radio broadcasts asked spectators to behave, and fliers were handed out urging fans to "show the world our manners" — which they did for the most part.

That was not the case, however, in an earlier qualifying match between El Salvador and Mexico. Officials halted play for several minutes after fans inundated the field with objects. The angry display followed a decision by an Argentine referee not to call a penalty against Mexico for what Salvadoran fans saw as a blatant infraction. At the end of the game, a linesman was hit in the head with a bottle thrown by an irate spectator.

"That is justice," said spectator Mario Ontonio, 26, who was sitting in Vietnam during the match between El Salvador and Canada. "When the referees act bad, we act bad. That is the way justice works here."

Daniel Hinojo/The Associated Press
Argentina's Hernan Crespo shooting past Uruguay's Paolo Montero

Italy Next Faces Russia In World Cup Playoff

Compiled by Our Staff From Dispatches

Italy, a three-time winner of the World Cup, must overcome Russia in a two-leg playoff to qualify for next year's World Cup finals.

The two countries were paired Monday in a draw involving eight countries

WORLD CUP SOCCER

that finished as runners-up in Europe's World Cup qualifying groups. The four winners will advance.

Either Croatia or Ukraine will make their first appearance in the finals after they were drawn together. Yugoslavia drew Hungary and Ireland will play Belgium.

Croatia, Russia, Ireland and Hungary are at home in the first leg on Oct. 29. The second leg is on Nov. 15.

Italy last failed to qualify in 1958. It was forced into the playoffs after a 0-0 draw at home with England on Saturday *to finish second in Group 2. Russia finished* second to Bulgaria in Group 5.

South America Chile moved into prime position to gain South America's last spot in the France, routing Peru, 4-0, behind three goals by Marcelo Salas.

With Argentina, Paraguay and Colombia already qualified, Chile moved into fourth place in the regional qualifying group, ahead of Peru on goal difference. The top four South American teams advance to the finals.

Chile can clinch a berth with a victory at home against Bolivia on Nov. 16 and can also qualify with a tie or loss if Peru stumbles in its home game against Paraguay that day.

Ecuador beat visiting Bolivia, 1-0, to keep its slim hopes alive. Uruguay was eliminated with a scoreless tie in Argentina.

North America In the North and Central American and Caribbean region, Mexico, which could have made sure of its place in France with a victory, tied, 2-2, with Canada in chilly Edmonton, Alberta. Canada led by 2-1 before *Ramon Ramirez scored for Mexico scored* for Mexico in the 85th minute.

(Reuters, AP)

Has Britain Learned The Lesson Of Heysel?

By Peter Berlin
International Herald Tribune

British officials moved rapidly on Sunday and Monday to blame the Italians for the latest outbreak of violence involving English soccer fans.

On Saturday, English fans battled the Italian police in Rome's Olympic stadium during the World Cup qualifying match between Italy and England.

The attitudes of Italian and British authorities suggest that they have learned very different lessons over the last 15 years.

In 1985, in the worst of many examples of English soccer violence, 39 Italian fans died in Brussels, at the Heysel

VANTAGE POINT

stadium, fleeing fans of Liverpool. English clubs were banned from European competitions.

Perhaps the speed with which England's Football Association blamed the Italians Sunday for selling the wrong tickets to English fans was motivated by a fear of being punished again.

Nobody in Britain seems to think it odd that the English — alone of all nationalities — cannot be trusted to mix with foreigners. Also odd is the belief that if violence does result, the foreigners should be held responsible.

"That was not the behavior of a civilized police force," said David Mellor, who was once the minister responsible for the British police forces.

Mellor is head of the government's soccer "task force" and the host of a radio phone-in show on soccer. Before the match, he said English fans should not be treated like "cattle" in Rome.

This became the mantra of the English fans in Rome. As they neared the stadium on Saturday they passed several checkpoints. At the first, the police checked tickets. "They're treating us like cattle," complained an English fan.

At the second barrier, the police searched the fans and confiscated a small mountain of bottles. "They're treating us like animals," said another fan.

Inside the stadium, a fan with a shaven head and tattooed earlobes was blocking a stairway. A policeman shoved him. "They're treating us like cattle," he said, adding ominously: "What do they expect." Clearly, he felt *he had been provoked into violence.*

English fans were certainly taunted and pelted by the Italian fans. The vast majority did not retaliate. A minority did and continued to do so in spite of attempts by the Italian police to stop them.

The police tried to drive the fans back. A knot of fans stood their ground. Unarmed and outnumbered, they kept hitting back. Those fans could hardly have any complaint with the police's reaction, which was to launch continued charges using riot sticks until they had established control. The Italian police were heavy handed but it is difficult to blame them. The lesson they learned from Heysel is that English fans can be dangerous, even deadly.

The citizens of Rome, like those of France where the next World Cup will be played, are terrified of English soccer hooligans.

Mellor used to be the member of Parliament for Putney in London. If several hundred drunken yobbos had descended on his leafy constituency to spend four days urinating in the street, abusing passers by and starting fights with the police and locals, would he have stood up so vigorously for their rights?

U.S. Cyclist Finds the Pain Is Mostly in Spain, but He's Back

By Samuel Abt
International Herald Tribune

SAN SEBASTIAN, Spain — For anybody in Leon, Spain, about four hours' drive from here, who was wondering why the bicycle rider who made the first attack in the elite road race in San Sebastian looked so familiar and why he was smiling and waving at the camera — as if to say hello to friends — yes, that was Jon Vaughters.

The American's acceleration off the front of the world championship pack didn't last long Sunday. After his 15 seconds of fame in the fourth of 19 laps, he was overtaken and quickly became just another face in the crowd. But he had made his point: He was back.

Spain is a nice place to visit, Vaughters agrees, but he wouldn't want to live here. Not after the last time he did live here, in 1996, when his bicycle team failed to pay him, when his boss was arrested on charges of importing heroin, when he crashed on the first day of the biggest Spanish race and chipped his hip.

That was it for him.

He returned home to Denver, revived became the top-ranked rider on the American circuit and is on the verge of signing with the U.S. Postal Service team and resuming competition in Europe next year.

Vaughters, 24, had a fine world championship, finishing 15th in the time trial and working hard in the grueling road race until he had to drop out. He hadn't expected to do better than that over the 256.5 kilometers (160 miles).

"I don't really have any aspirations," he said before the start, "because I haven't done a 260-kilometer road race since June or a training ride that long in two months. I haven't done a race in six weeks — there's nothing left in the States."

While the season there was still on, he won the U.S. time trial championship, the Cascade Cycling Classic, the Mount Evans hill climb and the time trial in the Redlands Classic.

"Without boasting," he said, "I think I was the dominant rider on the domestic scene.

"It's gone superwell since I left Spain," he said. "I went with an organization that's been very supportive, Colorado Cyclist Comptel. Once I got into a tranquil environment, what I was on the cusp of coming around to in 1996 was actualized."

Still, he said, he was glad to be back in Spain. While racing for the Santa Clara team from 1994 through 1996, he lived in Leon.

"I was really looking forward to seeing the country again, seeing a lot of my old friends and saying 'Hi' to the families of my teammates. There's lots of good memories here."

There are lots of bad ones, too, he admitted. "No, I didn't get paid last year," he said with a laugh, "and I don't expect to, either. But I really gained a lot out of the experience. It was disorganized and hard to find your best form with an organization like Santa Clara, but as a person, I grew a lot in those three years.

"I learned a different culture, I learned how to be self-sufficient. On that team you had to be. It hasn't left a sour taste in my mouth — it was something I had to overcome and I think it made me tougher."

Although young American riders who come to Europe often have a difficult time, Vaughters's experiences with Santa Clara, a minor Spanish team that has since disbanded, were especially dreary.

"There was an inner struggle on the team as to who was really in charge among the *directeurs sportifs*," or coaches, he said, "and sometimes I'd get taken to races at the last minute and sometimes I wouldn't. One directeur would tell me I was kicked off the team because whatever, I was a foreigner or I was too — I don't know what."

Then there was the unpaid salary. "Well, my salary wasn't that high — I lost on the order of $10,000 or $15,000. They paid me the first two years, but it was spotty. I wouldn't do it now, but when I was 20 years old, it was O.K."

"Maybe I was just a little too fragile mentally to deal with it and still ride at a professional level. But it made me tougher. I've matured.

"I really look forward to coming back to Europe next year with a well-organized team. It'll be different anyway."

SCOREBOARD

BASEBALL

AL Championship

SUNDAY'S LINESCORES

Baltimore	014	000	101	7	12	2
Cleveland	020	140	001	8	13	0

Erickson, Rhodes (5), Mills (7), Orosco (9), A. Benitez (9) and Webster; Jr.Wright, Br.Anderson (4), Juden (7), Assenmacher (7), M.Jackson (7), Mesa (8) and S. Alomar. W—Mesa, 1-0. L—Mills, 0-1. HRs—Baltimore, By.Anderson (2), Baines (1), R. Palmeiro (1). Cleveland, Ramirez (2), S. Alomar (1).

Cleveland leads series 3-1.

NL Championship

SUNDAY'S LINESCORES

Atlanta	010	000	000	1	3	0
Florida	100	000	10x	2	5	0

G.Maddux, Cather (8) and Ed.Perez; L.Hernandez and C.Johnson. W—L.Hernandez,2-0.L-G.Maddux,0-2.HR-A.Tucker(1).

Florida leads series 3-2.

FOOTBALL

NFL Standings

AMERICAN CONFERENCE

	W	L	T	Pct.	PF	PA
EAST						
New England	5	1	0	.833	176	80
Miami	4	2	0	.667	119	111
N.Y. Jets	4	3	0	.571	177	137
Buffalo	3	3	0	.500	122	159
Indianapolis	0	6	0	.000	88	155
CENTRAL						
Jacksonville	5	1	0	.833	169	119
Pittsburgh	4	2	0	.667	145	160
Baltimore	3	3	0	.500	161	124
Tennessee	2	4	0	.333	114	133
Cincinnati	1	5	0	.167	88	164
WEST						
Denver	6	0	0	1.000	190	85
Kansas City	4	2	0	.667	122	110
San Diego	3	3	0	.500	102	126
Seattle	3	3	0	.500	107	134
Oakland	2	4	0	.333	151	148

NATIONAL CONFERENCE

	W	L	T	Pct.	PF	PA
EAST						
Dallas	3	2	0	.600	124	75
Washington	3	2	0	.600	90	73
N.Y. Giants	4	3	0	.571	131	133
Philadelphia	2	4	0	.333	111	137
Arizona	1	5	0	.167	109	131
CENTRAL						
Green Bay	5	2	0	.714	168	149
Minnesota	5	2	0	.714	176	155
Tampa Bay	5	2	0	.714	140	124
Detroit	4	3	0	.571	160	129
Chicago	0	7	0	.000	101	199
WEST						
San Francisco	5	1	0	.833	162	70
Carolina	2	4	0	.333	94	127
St. Louis	2	4	0	.333	104	142
New Orleans	2	5	0	.286	118	162
Atlanta	1	5	0	.167	105	153

SUNDAY'S RESULTS

Atlanta 23, New Orleans 17
New England 33, Buffalo 6
Tennessee 30, Cincinnati 7
Detroit 27, Tampa Bay 9
Green Bay 24, Chicago 23
Miami 31, New York Jets 20
Jacksonville 38, Philadelphia 21
Minnesota 21, Carolina 14
New York Giants 27, Arizona 13
San Francisco 30, St. Louis 10
Pittsburgh 24, Indianapolis 22

Open date: Baltimore, Denver, Kansas City, Oakland, San Diego, Seattle.

The AP Top 25

Top Twenty Five teams in Associated Press college football poll, with first-place votes in parentheses, records through Oct. 11, total points and previous rankings:

	Record	Pts	Pv
1. Penn St. (51)	5-0	1,724	2
2. Nebraska (14)	5-0	1,668	3
3. Florida St. (3)	5-0	1,603	4
4. North Carolina (2)	6-0	1,521	5
5. Michigan	5-0	1,490	6
6. Auburn	6-0	1,366	8
7. Florida	5-1	1,280	1
8. LSU	5-1	1,199	14
9. Tennessee	4-1	1,126	9
10. Washington	4-1	1,121	10
11. Ohio St.	5-1	1,113	7
12. Michigan St.	5-0	1,058	11
13. Washington St.	5-0	958	12
14. Texas A&M	5-0	827	15
15. Iowa	4-1	703	17
16. Oklahoma St.	6-0	665	20
17. UCLA	4-2	637	18
18. Air Force	7-0	516	19
19. Georgia	4-1	446	13
20. Kansas St.	4-1	388	22
21. Georgia Tech	4-1	281	25
22. Virginia Tech	5-1	274	23
23. West Virginia	5-1	182	—
24. Wisconsin	6-1	134	—
25. Stanford	4-2	119	16

Others receiving votes: Arizona St. 69, New Mex. 57, Toledo 46, Purdue 38, Wyoming 26, Virginia 20, Alab. 15, Colorado 15, B. Young 14, Miami, Oh. 11, Ok. U. 9, Clemson 8, Marshall 8, S. Miss. 5, Col. St. 4, Rice 4, N. Car. St.2.

CFL

Sunday's Result

Edmonton 20, Winnipeg 2

ICE HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Washington	5	1	0	10	25	13
Philadelphia	4	2	0	8	19	13
New Jersey	3	2	0	6	13	12
N.Y. Rangers	1	0	4	6	14	11
Tampa Bay	2	2	1	5	12	11
N.Y. Islanders	1	2	1	3	9	11
Florida	1	2	0	2	9	11

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Ottawa	2	2	2	6	14	17
Montreal	2	1	1	5	11	9
Buffalo	2	2	1	5	15	17
Pittsburgh	2	3	1	5	15	18
Boston	2	3	0	4	14	19
Carolina	1	4	1	3	13	19

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Detroit	4	0	1	9	21	8
St. Louis	4	1	0	8	18	11
Dallas	2	2	1	5	15	9
Phoenix	2	2	1	5	15	16
Toronto	1	3	1	3	6	12
Chicago	0	4	0	0	5	20

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	4	0	2	10	18	10
Edmonton	2	2	1	5	12	18
Los Angeles	1	2	3	5	22	21
San Jose	2	3	0	4	13	13
Anaheim	1	1	1	3	6	6
Vancouver	1	2	1	3	10	13
Calgary	0	3	2	2	8	14

SUNDAY'S RESULTS

Calgary	1	1	2	5—4
Detroit	0	1	3	0—4

1st Period: C-McInnis 1 (Stillman) 2d Period: D-Kozlov 3 (Pusboz, Fetisov) 3, C-Stillman 2 (McInnis, Morris) (pp). 3d Period: C-Stillman 3 (Morris, McInnis). 5, D-Kozlov 4 (McCarthy, Yzerman) (pp).-6, D-, Shanahan 3 (Lidstrom, Murphy) 7, D-Yzerman 1 (Lidstrom, Murphy) (pp). 8, C-Stillman 4 (Iginla, Tkav) Shots on goal: C-9-9-10-0—28. D-8-16-10-3—37.

Ottawa	1	2	1	—4
Los Angeles	1	3	3	—7

1st Period: L.A.-Perreault 2 (Galley) 2. O-Conneyworth 1 (Bonk, Hossa) (pp). 2d Period: O-McEachern 2 (Dackell, Yashin) 4, L.A.-C.Johnson 2 (Stumpel, Galley) 5, L.A.-Perreault 3 (Moger, Robitaille) 6, O-McEachern 3 (Yashin) 7, L.A.-MacLean 3 (C.Johnson, Stumpel) 3d Period: O-Lankamen 2 (Yashin) 9, Los Angeles, Robitaille 3 (Berg) 10, L.A.-Stumpel 4 (Berg) 11, L.A.-Murray 2 (Stumpel) (en). Shots on goal: O- 9-9-7—25. L.A.- 15-13-13—41.

GOLF

Michelob Championship

Scores Sunday from $1.55 mil. Michelob Championship on 6,787-yard, par-71, Kingsmill Golf Club's River course in Williamsburg, Virginia, (a-won on first playoff hole):

x-David Duval, U.S.	67-66-71-67—271
Duffy Waldorf, U.S.	63-69-69-70—271
Grant Waite, U.S.	69-67-68-67—271
Fred Funk, U.S.	69-65-70-69—273
Scott Hoch, U.S.	70-66-69-69—274
Kirk Triplett, U.S.	66-68-70-71—275
Jim Gallagher, U.S.	69-68-71-68—276
John Cook, U.S.	69-68-68-71—276
Loren Roberts, U.S.	70-67-71-69—277
Payne Stewart, U.S.	68-70-70-69—277

BASKETBALL

NBA Preseason

SUNDAY'S RESULTS

Cleveland 119, Minnesota 99
San Antonio 97, New York 90
Miami 111, Philadelphia 102
Utah 94, Dallas 88
Denver 102, Golden State 88
Phoenix 93, Vancouver 86
Milwaukee 94, Sacramento 86

SOCCER

World Cup

SOUTH AMERICAN ZONE

Argentina 6, Uruguay 0
Chile 4, Peru 0
Ecuador 1, Bolivia 0
Paraguay 1, Venezuela 0

STANDINGS: Argentina 29 points; Paraguay 29; Colombia 27; Chile 22; Peru 22; Ecuador 21; Bolivia 17; Uruguay 18; Venezuela 3.

CONCACAF ZONE

Mexico 2, Canada 2

STANDINGS: Mexico 15; Jamaica 12; U.S. 10; El Salvador 9; Costa Rica 8; Canada 6.

EUROPEAN PLAYOFFS DRAW

Ireland vs. Belgium
Croatia vs. Ukraine
Hungary vs. Yugoslavia
Russia vs. Italy
Matches on Oct. 29 and Nov. 15.

MAJOR LEAGUE SOCCER

EASTERN CONFERENCE FINAL

D.C. 3, Columbus 2

WESTERN CONFERENCE FINAL

Colorado 1, Dallas 0

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SPORTS

Marlins Win With Help Of Generous Strike Zone

By Buster Olney
New York Times Service

MIAMI — Livan Hernandez, pitching only because the Marlins' best pitcher couldn't, spun a curveball to the Atlanta slugger Fred McGriff in the first inning, and it plopped into the glove of catcher Charles Johnson six inches to a foot or so outside. A strike, according to the home plate umpire, Eric Gregg.

The rookie kept throwing curveballs and fastballs six inches to a foot outside Sunday. Gregg kept calling them for strikes.

Pretty soon Hernandez had a record 15 strikeouts and had beat Atlanta's ace, Greg Maddux, 2-1. The Braves slunk off to their clubhouse angrily, furious about Gregg's strike zone, trailing in the National League Championship Series three games to two.

Atlanta can survive only by winning Games 6 and 7 at home Tuesday and Wednesday, with Tom Glavine and John Smoltz pitching. Kevin Brown, sick with the flu, is now scheduled to pitch Game 6 for the Marlins, with a chance to send the Braves home for the winter, grumbling about umpiring. "It was bad today, it was bad," McGriff said.

Above all, pitchers and hitters demand consistency from an umpire, and Gregg's strike zone was consistent, if bizarre: For right-handed batters, he generally called strikes on pitches an inch or two off the outside edge of the plate. But for left-handed batters, his strike zone was a little bit higher than normal, and anywhere up to a foot outside, based on replays.

The circumstances created a distinct disadvantage for the Braves — the first six batters in the Atlanta lineup batted left-handed, while only three hitters in the Florida lineup hit that way.

Left-handed batters for both teams kept stretching across home plate and swinging weakly, reaching for pitches far outside the strike zone that they feared would be called strikes — and often were. After Kenny Lofton's triple in the first inning, not one Atlanta left-hander pulled a ball to the right side of the field.

"I swung at pitches that were a foot outside," Chipper Jones said. "I turned around and asked if they were strikes, and he said yes. I couldn't help but give a little chuckle."

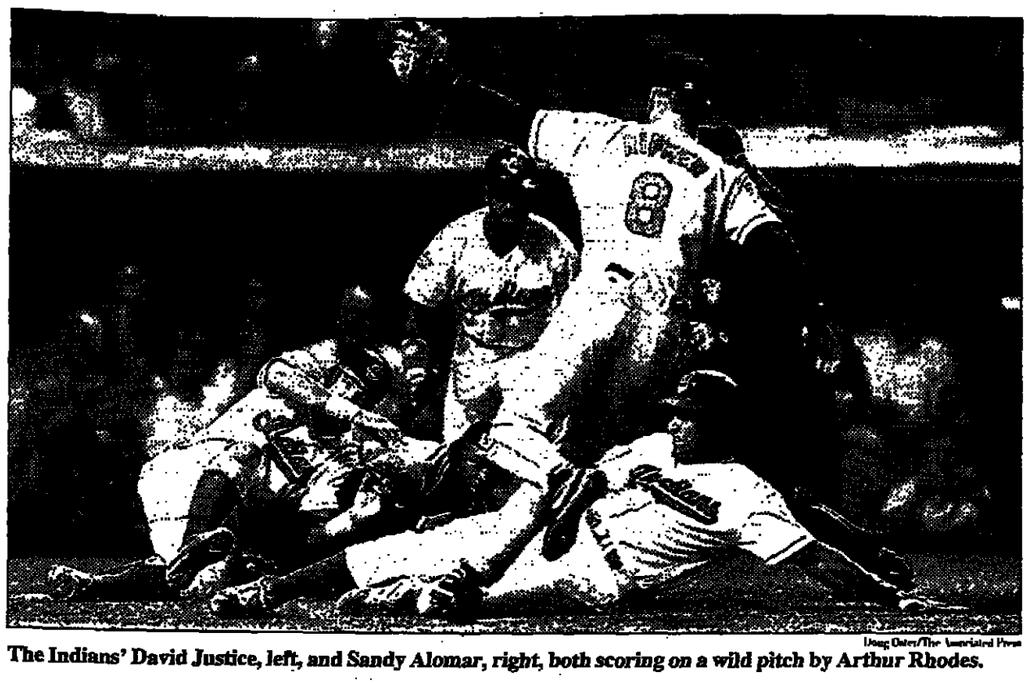
Gregg said, "If you know me, you know my strike zone. I'm consistent on both sides of that strike zone. I've been that way for 25 years. Next question."

Hernandez struck out at least one batter each inning, his 15 strikeouts setting a National League championship record and tying the one-day-old mark, set Saturday by Baltimore's Mike Mussina.

Maddux, seemingly best suited for a strike zone like Gregg's because of his extraordinary control, left a changeup a little too high to Bobby Bonilla, who whacked it to center for his second hit of the series and the first run of the game.

Michael Tucker homered for Atlanta leading off the second, tying the game at 1-all, and for the next five innings Maddux exploited the strike zone.

But Bonilla reached second when his line drive in the seventh fell out of Tucker's glove as the outfielder hit the wall. Jeff Conine then hit a single through the middle, scoring Bonilla.



Doug Mills/The Associated Press

The Indians' David Justice, left, and Sandy Alomar, right, both scoring on a wild pitch by Arthur Rhodes.

Ahead 3-1, Indians Are Laughing

By Thomas Boswell
Washington Post Service

CLEVELAND — The Cleveland Indians all but put their hands and their gloves in front of their faces *so they could hide their grinning mugs.*

They were snickering, laughing at the Baltimore Orioles in general and their platoon catcher turned pratfall comic, Lenny Webster, in particular. How often to do you get to watch two of your runners score on a wild pitch that never gets more than 15 feet from home plate?

However, the wily Indians didn't want to let the Orioles know how much they were enjoying the slapstick. When you're just one win away from the World Series, you don't want to wake up the other guys, especially when the favorites are so flummoxed that, if you just leave them alone, there's no telling what *they'll do to immolate themselves.*

The Indians deeply want revenge for being upset by Baltimore last October when they had the best regular-season record in baseball. But they don't want to show it. Not yet. The laughingstock's on the other foot.

The bad news for the Orioles is that, after Sunday night's 8-7 loss in Game 4 of the American League Championship Series, they trail three games to one. The good news is that, with any luck, the Orioles can get a sitcom on a major *network next season. If the Indians don't* do anything to interrupt the Orioles' comic timing, they may have a pennant to fly over Jacobs Field by Monday night.

On Sunday, the Orioles lost in the bottom of the ninth on a two-out line-drive single up the left-center field gap by Sandy Alomar. It was also Alomar *who earlier scored all the way from* second base on that goofy wild-pitch sequence to provide the most crucial run of the game.

Reliever Armando Benitez gave up that game-losing blow, just as his three-run gopher ball to Manny Ramirez lost Game 2. Still, the Orioles set up the *Cleveland win in a manner consistent* with their play here. Alan Mills walked the leadoff man in the ninth after getting ahead in the count 0-2.

Benitez should never have been in the game, of course. Randy Myers should have been trying to get the save, because the Orioles should have been ahead 7-6, not tied 7-7, entering the ninth. Why? Because you're really not supposed to allow two runs to score on the same wild pitch. Especially when the ball never gets more than a few steps from home plate.

Impossible, you say? Not for the Orioles. They can blow a 4-2 lead at the end of one game, as they did in Camden Yards in Game 2. Or, as was the case Sunday night, they can squander a 5-2 midgame lead after bombing the Tribe with a three-homer inning. Many teams, however, can perform those feats. The Orioles are now unique in postseason annals. They're groundbreakers.

"That's the first time I ever saw two men score on a play like that, especially when the ball never gets that far away from the plate," said Davey Johnson, the Orioles manager. "Somebody's messin' with fate. That's how I figure it. But this ballclub has a lot of strong backbone. Momentum can change. I've been behind by two runs and down to the last strike and still won, so don't tell me about fate. We got a ways to go yet."

Speaking of Bill Buckner's error against Johnson's Mets in the 1986 World Series, is it possible that Johnson has used up his supply of slapstick good luck and now is on the other end of the October comic relief? At the least, he's now got a catcher who can do for loose balls near the plate what Buckner did for the routine 15-hopper to first base.

In the past two games two pitches have bounced away from Webster. Both times, the score was tied. One ball bounced nine feet, the other about 15 feet. A total of three runs scored, and two games were lost. Soon, Clevelanders should have a T-shirt that says: "Webster Saves. But the Indians Score on the Rebound."

On Saturday, Webster did nothing as the winning run scored. He thought the slider that bounced out of his glove at ankle height had been a foul-tip suicide-squeeze bunt by Omar Vizquel. No need to chase it; dead ball. Wrong.

Webster might well have stopped the *run had he not stopped himself.* Sunday night, however, Webster & Co. surpassed themselves. They had this whole town in stitches. Clevelanders say: Keep the Ravens, just send us the Orioles every October.

The sight that unfolded in front of the Indians' dugout was worthy of Larry, Moe and Curly. With the score 5-5 in the fifth inning and the bases loaded, Arthur Rhodes threw a pitch in the dirt. Webster blocked the ball but couldn't keep it from trickling a few steps toward the Indians' dugout.

If Webster had run to the ball, grabbed it and thrown it in one motion — any motion — toward Rhodes, David Justice would have been out. But Webster froze, as he froze Saturday. For agonizing split seconds he debated with himself how to project the ball to Rhodes before deciding on something resembling a basketball chest pass. The awkward toss seemed to move in slow motion while Justice ran at full speed. Not only was Justice safe, but his slide turned Rhodes and the ball into a windmill of arms and legs. The baseball ricocheted out of the mess and trickled a few steps from the plate.

By now, the Indians had their part in *the fire drill down pat: KEEP RUN*NING. These are the Orioles, and there's a loose ball around home plate. By the time Rhodes could flip the ball to the plate, Alomar had already arrived, and another Indian was rounding third base. But by now, Cal Ripken was covering the plate. Another Oriole might have found a *way to kick the ball into the seats for the* grand slam of wild pitches — one that cleared the bases. Ripken, the spoilsport, simply caught the ball and brought the merry-go-round to a boring halt.

Jacksonville Backup Scores 5 Touchdowns

Stewart Brings Down the Eagles

The Associated Press

James Stewart, a backup running back, made the most of his opportunity *to play.*

He filled in for the injured Natrone Means, and became the fourth player to rush for five touchdowns in an National Football League game in the Jacksonville Jaguars' 38-21 victory Sunday over the visiting Philadelphia Eagles.

"James certainly answered the call," said Tom Coughlin, Jacksonville's coach.

Stewart ran for 102 yards on 15 carries. He scored on runs of 7, 8 and 2

NFL Roundup

yards in the first quarter as the Jaguars took a 21-0 lead, then added two 1-yard scores in the second half.

Stewart is the first player to rush for five TDs since Buffalo's Cookie Gilchrist on Dec. 8, 1963, against the New York Jets.

Ernie Nevers and Jim Brown are the only other players who have at least five rushing touchdowns in a game. Nevers holds the NFL record with six.

Stewart gave the ball from his fifth touchdown to Means. The extent of Means's injury was not immediately clear.

"You hate to see your partner go down," Stewart said. "He's been there for me, and I've been there for him."

Stewart has endured plenty of criticism in his two years in the National Football League. As a rookie, he was booed for not producing 100-yard rushing games on an expansion team with a *patchwork offensive line.*

He was blamed for last year's 20-6 loss to New England in the American Football Conference championship game when his fumble was returned for a touchdown.

"It was hard on James, but James doesn't take it off the field," said the *Jaguars' left tackle, Tony Boselli.*

Packers 24, Bears 23 Chicago failed on a 2-point conversion with less than two minutes to go and lost by one point to visiting Green Bay.

The Bears pulled within a point with 1:54 to go on Erik Kramer's 22-yard touchdown pass to Chris Penn. Dave Wannstedt, the Bears' coach, went for the lead, but Kramer's short pass sailed over Raymont Harris.

Brett Favre threw three touchdowns for Green Bay.

Vikings 21, Panthers 14 In Minneapolis, Brad Johnson, the Minnesota quarterback, threw two TD passes — one to *himself* — as the Vikings beat Carolina.

Johnson's pass and catch came at the end of a 17-play, 91-yard drive. His throw was batted down by Greg Kragen, but it bounced right back to Johnson, who dodged Michael Barrow in the backfield and scrambled 3 yards for the score.

Falcons 23, Saints 17 In New Orleans, Chuck Smith had *five sacks, and Morten* Andersen booted three field goals to lead Atlanta to its first victory under coach Dan Reeves.

Andersen, a former Saint, hasn't missed a field goal in the Superdome against New Orleans in eight tries. On Sunday, he connected from 25, 32 and 55 yards.

Dolphins 31, Jets 20 In East Rutherford, New Jersey, Dan Marino threw for 372 yards and two touchdowns to snap New York's three-game winning streak. Marino hit 27 of 38 passes for his most yardage against the Jets since 1989.

49ers 30, Rams 10 Steve Young threw three touchdown passes, and San Francisco forced three fumbles and blocked a punt in winning its fifth straight game.

The host 49ers scored 20 points off St. Louis miscues en route to their 15th consecutive victory against the Rams.

Young, who was 19-of-30 for 223 yards, completed his first 10 throws, including touchdown passes to Terrell Owens and Greg Clark.

Giants 27, Cardinals 13 Danny Kanell got a big assist from Tyrone Wheatley, who ran for 103 yards and scored a touchdown as New York won in *Phoenix, Arizona.*

Kanell, starting his first game in place of the injured Dave Brown, finished 13-of-28 for 198 yards and a touchdown, and the Giants romped to their third straight victory under Jim Fassel, who was offensive coordinator last year for Arizona.

Steelers 24, Colts 22 In Pittsburgh, Mike Tomczak, who replaced the injured Kordell Stewart as Pittsburgh's quarterback near the end of the first half, hit Courtney Hawkins on a 28-yard scoring pass, and Pittsburgh withstood six turnovers to beat Indianapolis.

The Colts blew a 10-0 lead, then *nearly pulled off a comeback as Jim* Harbaugh threw a 5-yard touchdown pass to Brian Stablein with 3:35 remaining. But Chris Oldham batted away the potential tying 2-point conversion pass.

Oilers 30, Bengals 7 In Memphis, Steve McNair, Tennessee's quarterback, threw for 199 yards and three touchdowns as the Oilers broke their four-game losing streak by beating Cincinnati.

The Oilers sacked Jeff Blake six times. He threw for only 130 yards with just one complete pass in the second half before being replaced by Boomer Esiason.

In games reported in late editions Monday:

Lions 27, Buccaneers 9 Barry Sanders, who was held by the Bucs to 20 yards on 10 carries in the second week of the season, ran for 215 yards on 24 carries as Detroit won in Tampa.

Sanders scored on runs of 80 and 82 yards — the longest TD bursts of his career — and also caught a 7-yard touchdown pass from Scott Mitchell.

Patriots 33, Bills 6 Drew Bledsoe threw two TD passes, and Curtis Martin ran for 99 yards as New England beat visiting Buffalo.

Robitaille's Return Pays Off for Kings

The Associated Press

Luc Robitaille, a player Los Angeles Kings fans thought was gone *forever, returned home in a big way.*

Robitaille scored the go-ahead goal in the third period to help the Kings

NHL Roundup

win their home opener, 7-4, against the Ottawa Senators on Sunday *night.*

After the game, the Senators revealed that Daniel Alfredsson, the National Hockey League's top rookie in 1995-96, had ended his holdout by signing a long-term contract.

Alfredsson was reportedly seeking $7.1 million over two years. The Senators were said to be offering $16.1 million for five years.

Robitaille and *Jozef Stumpel*, another off-season acquisition, scored 20 seconds apart in the third period to give the Kings their first victory of the season.

Flames 4, Red Wings 4 In Detroit, Cory Stillman's first career hat trick helped Calgary stop Detroit's four-game winning streak as the Flames and Red Wings skated to a tie.

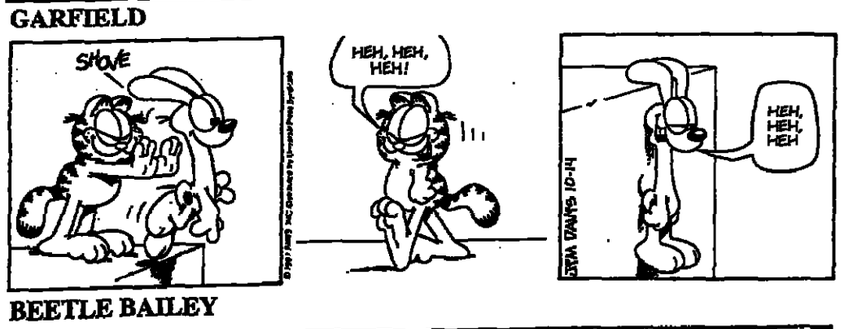
Stillman scored his third goal of the night with just 54 seconds left in regulation time, forging the tie after the Red Wings took a 4-3 lead with three straight goals earlier in the period.

DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES

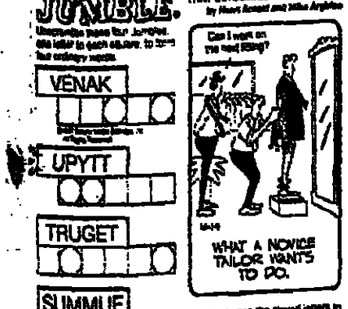
GARFIELD



WIZARD of ID

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion



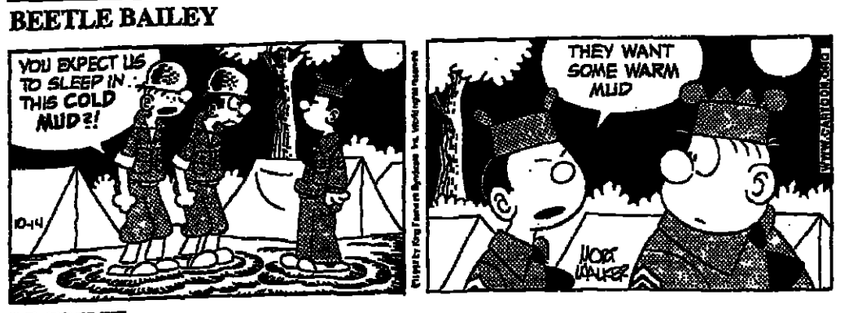
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:

(Answers tomorrow)

Yesterday's Jumbles: LOOPY TIGER SALOON GRASSY
Answer: A swipe a person by a careful ballcarrier — SCARED COSTS

BEETLE BAILEY



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ART BUCHWALD

Monkey Business

WASHINGTON — Despite what you read in the newspapers, the White House isn't as well organized as people think.

I discovered this when I asked Daniella Zalcman, "Who runs the White House?"

Buchwald

She replied, "The Marx Brothers. They are all over the place and nobody knows where they'll pop up next. Remember when Hillary Clinton's files turned up on a third-floor desk?"

"I remember it well."

"Groucho discovered them. The FBI had been searching everywhere, but the White House denied that the time sheets existed. So while Groucho was hiding behind a curtain smoking a cigar, he spotted the file and turned it over to the president's lawyers."

"Was the president mad?"

"No, because as he has said, time and time again, a found file is better than no file at all. You have to understand that the White House is a very large building and no one can keep track of anything that goes on there."

□

"Has Zeppo been in on any of the discoveries?" I asked Daniella.

"No he hasn't. He's in charge of making coffee for visiting dignitaries. The White House has a lot of people drop in on the president, and almost all of them expect a decent cup of coffee. Zeppo's coffee is famous throughout the Far East."

"What about Chico?"

"Chico is in charge of supplying quarters to Vice President Gore whenever he wants to make a telephone call. Every time Chico runs out of coins, he kicks the telephone and money comes tumbling out. He also amuses the White House staff by pulling quarters out of his ears."

□

"So that only leaves Harpo."

Daniella said, "Yes. Harpo holds the most important job in the White House because he has to keep his mouth shut when anyone asks a question about fund-raising. He's appeared in front of seven congressional committees so far and whenever they asked him a question about who slept in the Lincoln Bedroom, he began to play his harp."

"Did the Marx brothers have anything to do with the coffee videos?"

"They actually found them before anybody else did and this made the president furious because he wanted to give them personally to Janet Reno."

$10 Million Is Asked For al Fayed Home

The Associated Press

LOS ANGELES — The late Dodi al Fayed's Malibu mansion is up for sale for $10 million. Al Fayed, who died in a car accident in August with Diana, Princess of Wales, bought the estate in June from the Florida investor Edward Sacks for about $7.3 million.

Sacks, who turned the main house into a 9,000-square-foot (836-square-meter), six-bedroom Tuscan villa, bought the property from Julie Andrews and her husband, Blake Edwards.

In Azerbaijan, Poets Tear the Fences Down

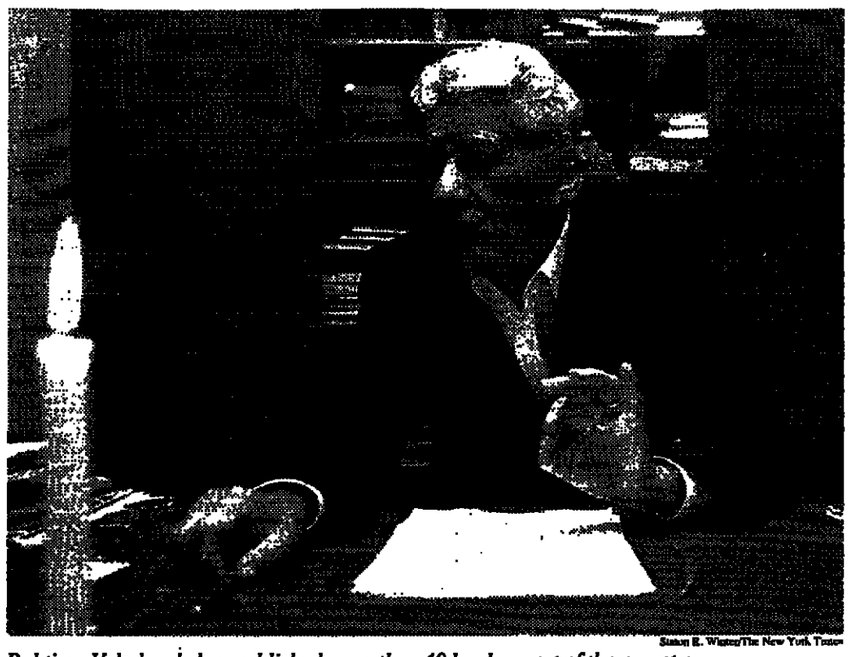
By Stephen Kinzer
New York Times Service

BAKU, Azerbaijan — In the central square of this stately capital, facing an 800-year-old fortress that overlooks the Caspian Sea, a pantheon of six larger-than-life statues towers above the bustle of daily life.

The figures are not of ancient adventurers, conquering generals or forgotten commissars from the Soviet era. They are of poets. And they stand as guardians of a tradition that has thrived in Azerbaijan for centuries.

Throughout Baku and the Azerbaijani countryside, poets are honored with statues, plaques, memorials and museums. Drama and prose fiction are relatively new forms here, but poetry is the great national art, the language of philosophers and also of common people.

Azerbaijan's poetic heritage is so vibrant that it even seems to have survived 70 years of Soviet rule, a period during which the intellectual class was ravaged by purges and poets were sent to die in distant jails. Perhaps the brightest literary light here now shines from a small but comfortable apartment in an outlying section of Baku where Bahtiyar Vahabzade lives and works.


Susan E. Wiener/The New York Times
Bahtiyar Vahabzade has published more than 40 books, most of them poetry.

Vahabzade has published more than 40 books, most of them collections of poetry. His most recent one appeared last year in an edition of 50,000, unheard of in this small and poor country. It was sold out within a week.

In a long conversation one recent evening, Vahabzade reflected on his life, his art and the mortal dangers of trying to survive as a creative artist during years of tyranny. As he spoke, his wife served *piti*, a traditional Azerbaijani stew prepared in individual clay pitchers and made of lamb, chickpeas and plums. With each new theme, another dish emerged: roast chicken, fried onions, vegetable fritters, yogurt with minced cucumber, grilled peppers, leek and parsley stalks; pickled eggplant, mutton cutlets and assorted cheeses, breads, cold cuts and liquors.

Vahabzade, whose unruly shock of graying hair was set off by a neatly pressed white shirt, spoke of his roots in the Turkic literary tradition that stretches back to "The Book of Dede Korkut," a 10th-century epic that has been compared to the Iliad. On his bookshelf are pictures of his heroes, from the Turkish nation-builder Mustafa Kemal Ataturk to his friend Yevgeny Yevtushenko, the Russian poet who has translated his works into Russian and whose works he has translated into Azerbaijani.

"For years we were supposed to write poems that celebrated the tragedy which overwhelmed us," Vahabzade said. "It was a terrible period, and many people did not survive. I never knew when they would come to take me away. But in the end, our poetic tradition has emerged alive. It is recovering. Young poets are writing very beautifully now. I think the world will know about us once again."

Two vivid examples of the fate that can overwhelm poets in repressive societies hang over Vahabzade's career.

One is that of Hussein Javid, a towering figure in Azerbaijani literature, who refused to conform to Soviet ideals and who was arrested by the KGB in 1937 and sent to his death in a Siberian labor camp. The other was the late Samed Vurgun, a teacher and mentor of Vahabzade, who wrote some fine poems but also much low-grade propaganda praising Marx ("His genius dug King Capital's grave!") and Lenin ("Who Communism's flag unfurled/ And first brought spring into the world!").

Seeking to find a path between the different kinds of death that cut off the careers of Javid and Vurgun, Vahabzade often wrote poems cloaked in allegory. He was deeply upset, for example, about what he viewed as Soviet attempts to crush the Azerbaijani language, and wrote a poem glorifying "The language which has come through centuries/ Its people dead/ But the language itself survives."

The poem's title, however, is "Latin." When KGB agents, who evidently understood its true meaning, summoned him for interrogation, he was able to say disingenuously that he had not intended to make any political point.

In 1952, after making what he thought were private remarks disparaging Stalin, Vahabzade believed that he was about to be arrested. When he heard a car stop in front of his house before dawn one day, he thought his time had come and frantically burned a cache of his poems to destroy evidence he thought might be used against him.

It turned out that the car was not carrying the police, but his poems were lost. The episode forms the basis for a new screenplay called "Fear," written by an Azerbaijani dramatist and now being made into a film.

Today Vahabzade is a beloved figure in his homeland, not simply a creative artist but also, since independence in 1991, an independent member of Parliament respected by both the ruling party and the opposition. A statue of him will probably stand in Baku someday, but at 72 he remains vigorous and full of plans.

"In 1930 there were anti-Soviet riots in Baku," he said. "The soldiers who were sent to crush the riots killed 10,000 people here. I am now working on this theme."

For several months each year, Vahabzade retreats to his native village of Sheki in northern Azerbaijan, where he has no telephone and gathers inspiration from nature and peasant life. He usually writes at night, which he calls "the time when I can achieve dialogue with myself."

Classical music is one of his great passions, and he says he cannot survive without hearing Beethoven's Ninth Symphony every morning.

A volume of English-language selections from Vahabzade's work, mostly poetry but also including four stories and a short play, has just been published by Indiana University Turkish Studies Publications. One of the poems, written in 1965 but kept hidden for years, includes these lines:

Come, tear the fences down, demolish the ramparts
So that our eyes can gaze at distant parts.
How can rooms contain the heart that must live free:
It should leap over hill and valley on and on.
So long as my eyes possess the power to see,
I shall keep scanning the wide horizon.

JOURNALISTS IN THE MOVIES

Karloff to Hoffman: Heroes and Villains

By Bernard Weinraub
New York Times Service

LOS ANGELES — "Five Star Final," made in 1931, the same year as "The Front Page," depicts a thoroughly despicable reporter who lies, steals and pretends he's a clergyman to get a story. The journalist is played by Boris Karloff.

The image hasn't changed that much in Hollywood.

In "Mad City," which opens in the United States next month, Dustin Hoffman plays an ambitious and cynical television reporter who exploits a hostage takeover of a museum by an unemployed security guard (John Travolta) who wants only his job back.

The screenwriter, Tom Matthews, who used to be a studio publicity writer and the editor of Boxoffice, a trade magazine, said he began working on the film after watching the Branch Davidian confrontation in Waco, Texas, on television in 1993.

"Nothing was happening for weeks, so the news organizations, to justify the fact that they sent all these reporters down there, began indulging in an amazing amount of speculation and guesswork," Matthews said. "I thought it was well worth pursuing a reporter, inside a hostage situation like that, who wants to play this story out and send his own career skyrocketing."

To Matthews, the director Constantin Costa-Gavras and Arnold Kopelson, one of the producers, the debate about the news media's role in the life and death of Diana, Princess of Wales, has somehow made their film seem eerily prescient. "The media became the story; they crossed the line," Kopelson said. "In the film, Dustin Hoffman says, 'I don't want to cross the line; I just want to move it a little bit.'"

Hollywood's ambivalence in its portrayal of journalists is evident in films of the 1930s and '40s. Stars like James Cagney ("Johnny Come Lately"), Barbara Stanwyck ("Meet John Doe"), Edward G. Robinson ("Five Star Final"), Lee Tracy ("Blessed Event") and Pat O'Brien ("The Front Page") played working-class journalists who were funny and shrewd and had few illusions about politicians and the rich. The reporters were characters with whom audiences could identify. (Katharine Hepburn in "Woman of the Year" and Rosalind Russell in "His Girl Friday" were decidedly upper class.) Yet even in those classics, journalists' behavior was often marked by ruthless ambition and even lying.

"In the '30s and '40s, people loved reporters — they were cynical and tough and hard-edged, and that made for comedy and good lines," said the critic Pauline Kael in an interview. "By the '70s and '80s, after reporters became heroes, there was almost a reaction against them, a swing after 'All the President's Men.' Reporters were no longer wisecracking; they took themselves very seriously."

Hollywood's ambivalence in its portrayals is evident in films of the 1930s and '40s.

Films that presented real-life journalists as heroes were "All the President's Men" (1976), with Hoffman and Robert Redford playing Carl Bernstein and Bob Woodward of The Washington Post, who covered the Watergate break-in, which eventually led to the resignation of President Richard Nixon, and "The Killing Fields" (1984), in which Sam Waterston plays Sydney Schanberg, then of The New York Times, and which depicts his friendship with his Cambodian interpreter, Dith Pran. In Peter Weir's "Year of Living Dangerously," Mel Gibson plays a somewhat down-at-the-heels reporter in Indonesia covering events leading to the coup attempt against President Sukarno in 1965.

These films came along in the aftermath of the Vietnam War and the Watergate break-in, years in which lies and deceptions of government officials were often revealed by journalists who, in some cases, turned into celebrities. Yet Hollywood studios, perhaps reflecting the current mood, have presented a bleak view of journalists in recent years — though less as villains than as spoiled and arrogant elitists, in contrast to the working-class figures played by Cagney or Stanwyck. Hoffman has, tellingly, followed this trajectory, portraying the journalist as hero 21 years ago and, in his latest role, the devious reporter in "Mad City."

"There's a deep ambivalence in movies, tilting toward the dark side," said Tom Goldstein, dean of the Columbia University Graduate School of Journalism and a former reporter for The New York Times. "They're usually not heroes or antiheroes. More often they're unappetizing figures: they're rude, often untrustworthy — some of the worst traits that journalists occasionally show in real life."

Hollywood's harsh view of journalists helps form public perceptions, Goldstein said. On the other hand, he said, polling data indicate that public trust in journalism is dropping.

The dark side cited by Goldstein is evident in "Absence of Malice" (1981), in which Sally Field plays a reporter who is duped into printing a story that discredits the character played by Paul Newman and then retreats behind the shield of freedom of the press.

Costa-Gavras, the director of "Mad City," whose films often tackle contemporary politics and social issues, said that the relationship between journalism and society had become increasingly relevant and complex.

"Our lives are more and more about the media — we learn through the media; we buy through the media; we communicate through the media," he said from his home in Paris. "The media is everywhere, for good or bad. It's like a hammer. If a hammer hits you on the thumb, you don't blame the hammer; you blame the person who holds the hammer.

"We keep saying, 'the media, the media.' Who is the media? The media is people. Some do good jobs; some do less good jobs; some do awful jobs."

PEOPLE

THE Welsh poet **Dylan Thomas**, whose reputation spanned the Atlantic, did not drink himself to death as legend has it, but died as the result of a doctor's error, according to a book to be released this week. Thomas died in 1953 at the age of 39. Officially, the cause of his death in a New York hospital was "acute alcoholic poisoning" after a bout in which Thomas was said to have drunk 18 straight Bourbons. But British newspapers reported that the new book, "The Death of Dylan Thomas" by the British biographer **George Tremlett** and a North Carolina neurosurgeon, **James Nashold**, will contend that Thomas was never as big a drinker as he was reputed to be. They say the real cause was that his U.S. physician, **Milton Feltenstein**, mistook a diabetic coma for a drunken stupor and wrongly prescribed a course of injections.

Michael Lacy/The Associated Press
BEAUTIFUL HAIR DAY — Armin Knapp (left) and his brother Gerhard won top awards in the most beautiful beard competition in Pforzheim, Germany.

□

Despite a string of hit movies, including the recent blockbuster "Face/Off," **John Woo** says he's terrified to be center stage. "Two things scare me in life: One is having an interview in front of the camera; the other is getting an award," the Chinese-born, Hong Kong filmmaker said after receiving a Golden Ring Award in San Francisco from the Asian American Arts Foundation. "I have a speaking problem — and I don't even speak well in my own language," he said, adding that he manages to get by using the two words most important for a director: "Action" and "Cut."

□

Oliver Stone, class of '71, came back to New York University, bringing a pair of mature-looking spectacles, a bushel of books and a few hard-learned lessons. "Do your homework," Stone told today's film students, responding to a query about "shedding the light on truth" from an earnest young man in a stocking cap. "Read another version," Stone said. "Test yourself." He paused, and then added, "Because this is serious business." The man who has made a career out of bucking conventions sometimes sounded positively restrained. "The truth is very tricky in this life, very elusive, especially when it comes to contemporary issues," Stone said. "People have a stake in it and it's fought over like a civil war. So be careful."

□

About 5,000 people attended the opening night of **Verdi**'s "Aida" at an open-air theater in Luxor, Egypt, with the temple of **Queen Hatshepsut** providing a dramatic backdrop. The opera is being held as part of festivities marking the 75th anniversary of the discovery of **Tutankhamun**'s tomb in the Valley of the Kings. The soprano **Wilhelmina Fernandez** and the tenor **Guiseppe Giacomini** sang the lead roles, and the Cairo opera orchestra was led by **Anton Guadagno**.

Janet Jackson hasn't spoken to her brother **Michael** in more than two years; and she hasn't even met her nephew **Prince**, born in February to her famous sibling. Jackson told Vibe Magazine that Michael's friends and family were invited to his ranch to meet his new son, but that she was so tied up with a new record, she was unable to attend.

□

As Whitney Houston and hubby, **Bobby Brown**, dined together in a private room at the Goldoni Ristorante in Washington, their six security guys were on the sidewalk hustling the restaurant's valet parker right off his post as a security risk. Diners had to find other parking, said Goldoni's general manager, **Julian Russell**. Houston and Brown are "lovely, lovely people," he said, "but this was a little overpowering, even for Washington. I think when the president came here he had two Secret Service agents inside the restaurant with him."

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